

HEARINGS REGARDING PRIVATE SECURITY GUARDS

4. ED 8/1:103-16

Hearings Regarding Private Security...

HEARINGS

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

HEARINGS HELD IN WASHINGTON, DC, JUNE 15 AND 17, 1993

Serial No. 103-16

Printed for the use of the Committee on Education and Labor



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HEARING REGARDING PRIVATE SECURITY GUARDS

TUESDAY, JUNE 15, 1993

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HUMAN RESOURCES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to call, at 9:30 a.m., Room 2261, Rayburn House Office Building, Hon. Matthew G. Martinez, Chairman, presiding.

Members present: Representatives Martinez, Kildee, Scott, Romero-Barcelo and Baesler.

Staff present: Lester Sweeting, staff director/counsel; Elizabeth Romero, staff assistant; Lee Cowen, professional staff member.

Chairman MARTINEZ. It is now 9:30 a.m. and we will be joined soon by a couple of my colleagues who have indicated they are on their way. I will go ahead and read my opening statement and get the meeting started. Hopefully, by the time I have finished my statement—here we have one of our members already, Mr. Baesler.

Good morning. This morning the subcommittee meets to take testimony regarding the necessity for stricter controls over the preemployment screening of persons hired to be private security guards and the need for better minimum training requirements for those personnel.

The private security industry is one of the fastest growing industries in the Nation. Private property owners, medium and large sized companies, shopping malls, schools, public buildings and even Federal, State and local government agencies are turning increasingly to the use of private security forces in lieu of public police departments to protect their property and customers.

In recent weeks and months, we have seen news reports showing private security officers patrolling the streets of neighborhoods and small towns. National labor statistics indicate that more jobs will be created in the private security field than any other categories over the next decade.

While the vast majority of private security officers are unarmed and do not deal directly with the public, it is the side of the industry that is armed and in uniform and that is dealing directly with the public that is becoming more visible every day and more alarming for its lack of adequate training and preemployment clearance.

While Americans' respect for law enforcement may ebb and flow, in general, Americans believe that those people who are in uniform represent well trained people who are not criminals themselves.

What we are learning from the news reports, however, and what we will learn during these hearings, is that due to a lack of minimum standards there are a significant number of these private security officers who are minimally trained and whose backgrounds are not checked before they are given a badge, a uniform, and a firearm and placed on patrol.

While we would expect the vast majority of security officers to be professional and have appropriate backgrounds to perform those duties, we know that there are persons who are felons or have pending charges against them, yet they can be hired and put to work in public areas, and in some cases given firearms.

Some persons hired to guard premises and protect the assets of the employer, or others, from theft are actually convicted criminals whose crimes include burglary, robbery, drug charges, et cetera.

Even those officers who have no criminal records, however, may represent a threat to public safety if they are not trained in proper methods of response to potentially violent situations.

A security guard at a school or shopping mall must be able to deal effectively with altercations with or between young people, especially in these days of almost universal availability of handguns. It may not be enough to know what the property line is or what the posted rules as to eating, smoking or other activities in public areas might be, and how to check to see if an area is locked or how to read a video camera shot. All too often, the knowledge necessary to control a violent situation or to subdue a violent person without major injury is critical to the prevention of tragedy.

Even more critical might be the knowledge to recognize a potentially violent situation as it develops and to know what actions are likely to resolve the situation in a peaceful manner. Yet, we are told that due to the costs and competition, the training and background checks are too expensive to put in place.

Eleven States have absolutely no laws on the books dealing with the background checks or minimum training requirements for security officers, including armed security officers. A number of States have only minimum rules in place. Some States such as Florida have stringent requirements which are effectively enforced.

I believe that all States should have minimum requirements for training and background checks. I do not believe that the Federal Government should manage the licensing, training and background checks for security personnel. Indeed, because conditions differ among the States, each State should be in a position to establish how stringent their rules should be, and I believe they should do it.

H.R. 1534, which Congressman Owens and I have cosponsored in this Congress, would establish the minimum standards we feel are appropriate. States would be free to establish much more stringent rules, should they so desire.

Another critical aspect of this legislation is access to FBI sources to ensure that persons being considered for these sensitive positions do not have criminal activities in their past and are not currently wanted in connection with a criminal charge.

States and private employers generally cannot access these national criminal data banks without specific authority in Federal statutes. The banking industry already has such authority and our proposal is to extend that authority to the security and protection industry as well.

I believe that this is a reasonable approach to protect the public and to assist both the employer and fellow employees in ensuring that criminals are not unknowingly allowed into these jobs. Nothing would be worse than to find that a private security guard hired to protect a school building was wanted in connection with crimes against young children, or that a guard at an armored car facility, with access to significant amounts of cash and other valuables, had a long history of convictions for larceny.

As I mentioned, this is the first of two hearings we will hold this week. Because of the press of legislative business elsewhere in the House, we decided that we could not devote an entire day to this issue. However, since we have a great deal of interest in this issue, we scheduled two separate sessions.

Today, we will hear from private citizens who have knowledge of the problems that can arise when guards are insufficiently trained or inadequately screened for those positions. We will then hear from some of the senior officers of the major national and local guard firms, which will continue into Thursday's session.

We have asked for testimony from two recognized experts from the research arena who will discuss their studies of various programs, including the approaches of some foreign countries, and what they might suggest as minimum training standards.

Finally, again on Thursday, we will hear from two associations of smaller companies and a representative from one State government who will describe his State's background check and the regulations regarding training in his State.

I would like to state that all of the written testimony submitted by our witnesses at these hearings will be entered into the record in its entirety and that the committee welcomes the submission of additional statements from any interested party on the issues brought out in these hearings. The record will remain open for 10 days to receive any such information.

I would now like to turn to my colleagues for any remarks they may have.

[The prepared statement of Hon. Matthew G. Martinez follows:]

STATEMENT OF HON. MATTHEW G. MARTINEZ, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA

Good morning.

This morning the subcommittee meets to take testimony regarding the necessity for stricter controls over the preemployment screening of persons hired to be private security guards and the need for better minimum training requirements for those personnel.

The private security industry is one of the fastest growing industries in the country. Private property owners, medium and large sized companies, shopping malls, schools, public buildings and even Federal, State and local government agencies are turning increasingly to the use of private security forces in lieu of public police departments to protect property and customers.

In recent weeks and months, we have seen news reports showing private security officers patrolling the streets of neighborhoods and small towns.

Job Training Partnership Act programs statistics show that more jobs will be created in the private security field than most other categories over the next decade.

While the vast majority of private security officers are unarmed and do not deal directly with the public, it is the side of the industry that is armed and in uniform and that is dealing directly with the public that is becoming more visible every day and more alarming for its lack of adequate training and preemployment clearance.

While Americans' respect for law enforcement may ebb and flow, in general, Americans believe that those people who are in uniform represent well trained people who are not criminals themselves.

What we are learning from the news reports, and what we will learn during these hearings, is that due to a lack of minimum standards, there are a significant number of these private security officers who are minimally trained, and whose backgrounds are not checked before they are given the badge and uniform and placed on patrol.

While we would expect the vast majority of security officers to be professional in appearance and have appropriate backgrounds to perform those duties, we know that there are persons who are felons or have pending charges against them, yet they can be hired and working in public areas, carrying a firearm.

Some persons hired to guard premises and protect assets of the employer or others from theft are actually convicted criminals whose crimes include burglary, robbery, drug charges, et cetera.

Even those officers who have no criminal records, however, may represent a threat to public safety if they are not trained in proper methods of response to potentially violent situations.

A security guard at a school or shopping mall must be able to deal effectively with altercations with or between young people, especially in these days of almost universal availability of handguns.

It may not be enough to know what the property line is, what the posted rules as to eating, smoking or other activities in public areas might be, and how to check to see if an area is locked or how to read a video camera shot.

All too often, the knowledge of how to handle a violent situation, how to subdue a violent person without major injury to the person or one's self, is critical to the prevention of tragedy.

Even more critical might be the knowledge of how to recognize a potentially violent situation as it develops and to know what actions are likely to resolve the situation in a peaceful manner.

Yet, we are told that, due to costs and competition, the training and background checks are too expensive to put in place.

Eleven States have absolutely no laws on the books dealing with the background checks or minimum training requirements for security officers—including armed security officers.

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H.R. 1534, which Congressman Owens and I have cosponsored in this Congress, would establish the minimum standards we feel are appropriate.

States would be free to establish much more stringent rules, should they so desire.

Another critical aspect of this proposed legislation is access to FBI sources to ensure that persons being considered for these sensitive positions do not have criminal activity in their pasts and are not wanted currently to answer criminal charges.

States and private employers generally cannot access these national criminal data banks without specific authority in the Federal statutes.

The banking industry already has such authority and our proposal is to extend that authority to the security and protection industry as well.

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The record will remain open for 10 days to receive any such information.

I would now like to turn to my colleagues for any remarks they may have.

Chairman MARTINEZ. Mr. Baesler.

Mr. BAESLER. I don't have an opening statement, thank you.

Chairman MARTINEZ. Mr. Scott.

Mr. SCOTT. Mr. Chairman, thank you.

We have let this situation go, I think, entirely too long. Virginia has regulations for the training of security guards. I think the national act will go a long way in helping the public feel more secure and protecting the public from abuses in this area.

I want to congratulate you for bringing this bill to the public's attention and look forward to supporting it.

Chairman MARTINEZ. Thank you, Mr. Scott.

Our first panel consists of Mr. Clifford Ingber, New York, New York. Mr. Ingber is an attorney whose practice concentrates on security issues.

Would you come forward to the table here?

Ms. Monica Worth is from Washington, DC. Ms. Worth spent several years dealing with security problems at a large suburban shopping mall and has amassed significant information on private security. Mr. Peter Everett, from Fairfax, Virginia, is Ms. Worth's attorney.

Mr. Bill Brill is from Annapolis, Maryland. Mr. Brill is an expert on private security and has testified in a number of lawsuits as an expert witness.

Mr. Ingber, we will start with you.

STATEMENTS OF CLIFFORD INGBER, ESQ., NEW YORK, NEW YORK; MONICA WORTH, WASHINGTON, DC; PETER EVERETT, ESQ., FAIRFAX, VIRGINIA; AND BILL BRILL, ANNAPOLIS, MARYLAND

Mr. INGBER. Good morning. My name is Clifford Ingber. I am a partner in the New York City law firm of Ingber and Ingber. From 1983 through 1989, I served as general counsel to Burns International Security Services. Since 1989, I have been in private practice. In the fall, I will be adjunct professor at John Jay College of Criminal Justice.

I am proud to be associated with the security industry. I assume that is similar to saying one is proud to be a politician. In fact, both professions are much maligned and underappreciated. Every day hundreds of thousands, perhaps millions, of men and women, white, black, brown, red, and yellow provide a valued service in major cities, small towns and rural areas. And not surprising, along with the millions of hours of security services performed each day, come reported incidents of wrongdoing and negligence by security practitioners. However, for each of these instances of malfeasance and misfeasance, there are hundreds of stories of security officers saving lives, protecting property and assisting the public.

It is because of the enormity of the security industry and its direct and intimate involvement with the public that Federal legislation is needed and why I, and many others on both sides of the security fence, support H.R. 1534. Although many States have laws regulating the security industry, some do not. Moreover, the administration and enforcement of the existing State laws run the gamut from effective to grossly negligent.

There are two critical aspects of the legislation to which I wish to comment upon this morning. First, H.R. 1534 proposes to regulate guards employed by contract security guard companies as well as proprietary or in-house security officers. Approximately one-half of all security officers are employed by in-house security departments. The public cannot distinguish between a security officer assigned by a security contractor or a proprietary security department. These proprietary security officers wear similar uniforms and perform the same duties as contract security officers, yet only one State in this country, New York, regulates in-house security officers. In other words, you, as a member of the public, may believe that a security officer meets certain qualifications, such as that he or she has never been convicted of a dangerous crime; however, if that security officer escorting you to your car or assisting you at your apartment complex happens to be an in-house security officer, he may be a convicted murderer, rapist or a bank robber.

In this regard, most current State laws are dangerously misleading. H.R. 1534 targets both segments of the industry without distinction.

The second aspect of the bill, which I strongly support and promote, is the employers access to an applicant's criminal records through the National Crime Information Center and the Federal Bureau of Investigation. With the growth in mobility and migration of many Americans from State to State, a criminal records check of only the current State of residence, which is all that is permitted under many State laws, is insufficient. Knowing an employee has not been convicted of a crime in a State where he has resided for about a month, without receiving any criminal history from the States where he may have resided for the other years of his adult life, is of limited value, to put it mildly. Moreover, the Federal involvement in criminal record checks hopefully will not only ensure that such reviews are complete, but that they are completed accurately and timely.

Unfortunately, many States take months to complete a check of their records. There are many stories which I can relate to be con-

sequences of States' ineffective criminal records check, but let me focus on just one.

Recently, I was retained in a case where at point-blank range a security officer opened fire on a car containing five youths. Two of the youths were seriously injured. One victim has been declared legally blind, is now partially deaf, and has serious neurological injuries. The other two occupants died from their wounds.

The security officer was employed by a security guard company in New York, a State that regulates the security industry. Although the security guard company submitted the security officer's prints to the State months before the incident, the company did not receive any reply. Had the State replied, the guard company would have learned that the security officer had been previously convicted of gun and drug related offenses.

What is pathetic about the above facts is that the State law requires, yes, it mandates, that the State agency check fingerprint records received in connection with a security guard application within 5 days of receipt, yet the State had the fingerprints in the instant matter for months.

In an unrelated case, a deposed official explained the basis for the State taking longer than apparently permitted under the State law. She said that within 5 days of receipt of the fingerprint cards her agency forwards the fingerprints to a sister agency which then conducts the check. Her view was that so long as her agency moved the prints along within the 5-day period, her agency had fulfilled its statutory obligation, notwithstanding the fact that the employer did not receive any information for months.

Had the security company involved in the related shooting incident been advised of its security officer's prior criminal record, I have no doubt that his employment would have been terminated and that the violence and deaths would have been averted.

H.R. 1534 will, in my opinion, improve the background investigation of security officer applicants and will increase the public's confidence that every employer and every security officer, no matter who their employer may be and what uniform they may wear, will be subject to proper scrutiny and regulation.

Thank you.

[The prepared statement of Mr. Ingber follows:]

STATEMENT OF CLIFFORD INGBER, PARTNER, INGBER & INGBER, NEW YORK, NEW YORK

Good morning Mr. Chairman and members of the committee.

My name is Clifford Ingber. I am a partner in the New York City law firm of Ingber and Ingber. From 1983 through 1989, I served as general counsel to Burns International Security Services. Since 1989, I have been in private practice representing the security industry.

I am proud to be associated with the security industry. That may be similar to saying one is proud to be a politician. In fact, both professions are much maligned and underappreciated. Every day, hundreds of thousands of men and women, white, black, brown, red, and yellow provide a valued service in major cities, small towns and rural areas. And not surprising, along with the millions of hours of security services performed each day comes reported incidents of wrongdoing and negligence by security practitioners. However, for each of these instances of malfeasance and misfeasance, there are hundreds of stories of security officers saving lives, protecting property, and assisting the public.

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The second aspect of the bill I strongly support and promote, is the employers' access to an applicant's criminal records through the National Crime Information Center and the Federal Bureau of Investigation. With the great mobility and migration of many Americans from State to State, a criminal record check of only the current State of residence—which is all that is provided by many State licensing authorities—is insufficient. Knowing an employee has not been convicted of a crime in a State where he has resided for about one month without receiving any criminal history from the States where he resided for the other years of his adult life, is of limited value to put it mildly.

Moreover, Federal involvement in criminal record checks hopefully will not only ensure that such reviews are complete, but that they are completed accurately and timely. Unfortunately, many States take months to complete a check of their records. There are many stories which I can relate on the consequences of the States' ineffective criminal record check, but let me focus on just one.

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H.R. 1534 will, in my opinion, improve the background investigation of security officer applicants, and increase the public's confidence that every employer and every security officer, no matter who her employer may be and what uniform he may wear, will be subject to appropriate levels of scrutiny and regulation.

Thank you.

Chairman MARTINEZ. Thank you, Mr. Ingber.

Chairman MARTINEZ. Ms. Worth?

Ms. WORTH. Mr. Chairman, members of the subcommittee, and fellow guests, thank you for the opportunity to share my experience with private security standards. My grandfather was a cop

and a private guard; my godfather is a career security guard. I have great respect for what I consider a vital profession and for the people who dedicate themselves to it.

I am a Washington representative, and as such, I routinely lobby issues up and down these halls. For me, though, the subject is not an issue. I got up this morning, as I do now every morning, feeling lucky that I have one more day on earth, because inadequate security very nearly cost me my life.

Two weeks before Christmas in 1989, I went shopping at a major shopping mall, one in an affluent Northern Virginia suburb in the backyard of many legislators. As I returned to my car near a mall entrance a few hours before closing time, a young man approached me and asked me for the time. I didn't like the look of him but I swallowed my instinct and I tried to be polite. When I turned away from him to move toward my car, he put his hand over my mouth and told me not to scream.

He began to force me into my car. I struggled with him outside the car for several minutes. I fought with every ounce of strength I had to keep him from getting me inside. At least twice I was pushed against the horn and it blared for several seconds. He finally lifted me by my hair and shoved me across the front seat. He climbed in on top of me and locked all the doors. He demanded money, and when he found out I only had \$8, he began banging my head against the windows. He made me huddle on the floor of the passenger side, yanked me by my hair back onto the seat, twisted my arm behind me until I was sure the bone would break, then slammed me against the window one last time and jumped out of the car.

He ran across the parking lot, hopped a small fence and ran a few steps to the beltway where he apparently got into his car and drove away. I got help from a few shoppers who summoned mall security. A guard arrived a few minutes later and began a report. I began a long descent from which I have only recently begun to emerge.

The trauma of the attack dwarfed my relatively minor injuries. I was self-employed. I live alone. I had few resources. I began to find it very difficult to work in the variety of unpredictable situations my consulting work presented. Within 6 months my successful business was failing, my finances were in a free-fall, and my one employee had joined the ranks of the unemployed. In total, the incident cost me about \$30,000 in lost income and another \$30,000 in legal costs and other expenses.

In the meantime, I was contacted one day by The Washington Post, which was conducting an investigative report on serious crimes at the mall. Friends began to relay all kinds of stories they heard, and I was introduced to another victim of an attack at the same mall—Lynette Binford, who is here this morning in the back, wearing the peach colored suit. Lynette is a psychologist in her sixties who had been beaten over the head by a baseball bat by five teenage girls. Lynn has permanent brain injury that has ended her career.

Facts began to emerge: The mall paid its security personnel less than other leading malls. At the time I was attacked, two guards were out gassing up the security vehicle for over an hour, despite

the presence of two gas stations at the mall itself. During Lynette Binford's attack, two guards were out buying soda for their lunchroom.

After suing the mall, I obtained memos from the director of security to his staff, day after day, month after month, imploring guards not to race the security jeeps in the parking lot because customers were complaining; instructing them that wearing their uniforms to work was not negotiable; explaining that when two guards walk together on duty, one of the guards was leaving his or her territory unprotected; making clear to them that doing drugs or drinking on the job was unprofessional and would provoke disciplinary action.

It sounded like an episode of F-Troop. Unfortunately, they are the stereotypical image of rent-a-cops.

My aunt had meanwhile sent me clippings about a Massachusetts mall in which a woman had her throat slit. Her body remained in her car, parked next to a bank teller machine over a Thanksgiving holiday. Her feet were sticking out the window of the car, yet guards did not discover her for 2 days.

Shopping malls are a common example of places in which private security is critical to public safety. The civil courts produce no changes in our cases, but appearances in the national media, Larry King, 20-20, Oprah Winfrey, finally prompted the mall to publish its crime statistics, making it the first mall in the country to do so.

This raises a critical issue of the legislation for me: Malls, college campuses, hotels, theme parks are private property in which municipal police can only patrol if invited. The public has no way of knowing what dangers exist unless the institution chooses to publicize its crimes, and I am sure you can appreciate that few do.

Shopping malls are our new town centers, and in true Orwellian fashion, in the new town center the police protect property, not people.

In preparing my testimony, I was struck by the vast area of our lives which are now protected by private security. Do members of the subcommittee realize that our Nation's weapons-grade plutonium supply is protected not by the military, not by the Department of Energy or Defense, but by a well-known private security firm? I covered uranium issues for a Washington company and I recall an incident in which a private corporation, Dupont, which was contracted by the U.S. Government to enrich uranium into plutonium for weapons and nuclear reactors, was so proud of its employees' safety record it refused to allow security guards to engage in dangerous anti-terrorism training. Our plutonium supply was being protected from the Red Brigade by people who were not allowed to drive more than 40 miles an hour on plant property. Ultimately, I believe Dupont feared for its liability and Wackenhut was brought in to relieve the corporate contractor of responsibility. Federal law enforcement, Defense, the sort of people we would expect to be involved, never were.

I do not question the apparently outstanding quality of security Wackenhut provides. I raise the issue only to illustrate the range of public safety issues involved in private security. From 7-11s to shopping malls to precious national resources, private security firms have, of necessity, expanded and, in some cases, usurped the

traditional roles of municipal and Federal law enforcement. Private security firms are now safeguarding major portions of our society.

I ask that this legislation be approved as soon as possible. I also suggest that this body consider strengthening it. Prospective guards should reveal any law enforcement positions they have held or applied for, or similar training in which they have participated at any time in their careers, successfully or otherwise. I do not want children to attend school in a building patrolled by guards who may be armed, one of whom might have been rejected by a police academy for attitude problems.

I believe we need to clearly define crimes, even misdemeanors, which will automatically and permanently disqualify a guard from receiving a license. When a police officer is arrested on drug charges, sex offense, or another serious crime, we read about it in the papers or hear about it in the news. A private security guard is just another citizen. I have no access to records that tell me what kind of a person is guarding me, and I have learned to have little faith in some of the institutions responsible for putting that person in a position of responsibility; a position of power.

Economic incentives, as is clear in the case of shopping malls, cannot be counted on to provide balancing effects. The mall in which I was attacked originally tried to obtain a gag order on my lawyer to prevent him from giving crime statistics to the press. As I have said, it now publishes that information. Changes in my case, in our cases, came not from the courts but from trial by media. I hope that in the future the public can be protected by Congress. Thank you.

Chairman MARTINEZ. Thank you, Ms. Worth.

[The prepared statement of Ms. Worth follows:]

STATEMENT OF MONICA WORTH, WASHINGTON, DC

Mr. Chairman, members of the subcommittee, fellow guests, thank you for the opportunity to share my experience with private security standards. My grandfather was a cop and a private guard, and my godfather is a career security guard. I have great respect for this vital profession and for the people who dedicate themselves to it.

As a Washington representative, I routinely lobby issues up and down these halls. For me, though, the subject is not an issue. I got up this morning, as I do now every morning, feeling lucky that I have one more day on earth, because inadequate security nearly cost me my life.

Two weeks before Christmas in 1989, I went shopping at a major shopping mall—one in an affluent Northern Virginia suburb in the backyard of many legislators. As I returned to my car near a mall entrance a few hours before closing time, a young man approached me and asked me for the time. I didn't like the look of him, but I swallowed my instinct and I tried to be polite. When I turned away from him to move toward my car, he put his hand over my mouth and told me not to scream. He began to force me into my car. I struggled with him outside the car for several minutes, fighting with every ounce of strength I had to keep him from getting me inside. At least twice, I was pushed against the horn and it blared for several seconds each time. He finally lifted me by my hair and shoved me across the front seat. He climbed in on top of me and locked all the doors. He demanded money and, when he found out I only had \$8, he began banging my head against the windows. He made me huddle on the floor of the passenger side, yanked me by my hair back onto the seat, twisted my arm behind me till I was sure the bone would break, then slammed me against the window one last time and jumped out of the car. He ran across the parking lot, hopped a small fence, and ran a few steps to the beltway, where he apparently got into his car and drove away.

I got help from a few shoppers who summoned mall security. A guard arrived a few minutes later and began a report. I began a long descent from which I have only recently begun to emerge. The trauma of the attack dwarfed my relatively minor injuries. I was self-employed. I live alone. I had few resources. I began to find it very difficult to work in the variety of unpredictable situations my consulting work presented. Within 6 months, my successful business was failing, my finances were in a free-fall, and my one employee had joined the ranks of the unemployed. In total, the incident cost me about \$30,000 in lost income, and another \$30,000 in legal costs and other expenses.

In the meantime, I was contacted one day by *The Washington Post*, which was conducting an investigative report on serious crimes at the mall. Friends began to relay all kinds of stories they'd heard, and I was introduced to another victim of an attack at the same mall—Lynette Binford, a psychologist in her sixties who had been beaten over the head with a baseball bat by five teenage girls. Lynette Binford has permanent brain injury that has ended her career.

Facts began to emerge: The mall paid its security personnel less than other leading malls, at the time I was attacked, two guards were out gassing up the security vehicle—for over an hour, despite the presence of two gas stations at the mall itself. During Lynette Binford's attack, too, guards were out buying soda for their lunch room. After suing the mall, I obtained memos from the Director of Security to his staff—day after day, month after month, imploring guards not to race the security jeeps in the parking lot because customers were complaining, instructing them that wearing their uniforms to work was not negotiable, explaining that, when two guards walked together on duty, one of the guards was leaving his or her territory unprotected, making clear to them that doing drugs or drinking on the job was unprofessional and would provoke disciplinary action. It sounded like an episode of F-Troop.

Unfortunately, they were the stereotypical image of "rent-a-cops." My aunt had sent me clippings about a Massachusetts mall in which a woman had her throat slit, and her body remained in her car, parked next to a bank teller machine, over a Thanksgiving holiday. Her feet were sticking out the window yet guards did not discover her for 2 days.

Shopping malls are a common example of places in which private security is critical to public safety. The civil courts produced no changes in our cases, but appearances in the national media—Larry King, 20-20, Oprah Winfrey—finally prompted the mall to publish its crime statistics, making it the first mall in the country to do so. This raises a critical issue of the legislation for me—malls, college campuses, hotels, theme parks are private property in which municipal police can only patrol if invited. The public has no way of knowing what dangers exist unless the institution chooses to publicize crimes—and I am sure you can imagine that few do. Shopping malls are our new town centers—and, in true Orwellian fashion, in the new town center, the police protect property—not people.

In preparing my testimony, I was struck by the vast areas of our lives which are now protected by private security. Do members of this subcommittee realize that our Nation's weapons-grade plutonium supply is protected, not by the military, not by the Department of Energy or Defense, but by a well-known private security firm? I covered uranium issues for a Washington company and I recall an incident in which a private corporation, DuPont, which was contracted by the U.S. Government to enrich uranium into plutonium for weapons and nuclear reactors, was so proud of its employee safety record that it refused to allow security guards to engage in dangerous anti-terrorism training. Our plutonium supply was being protected from the Red Brigade by people who were not allowed to drive more than 40 miles an hour on plant property. Ultimately, I believe DuPont feared for its liability and Wackenhut was brought in to relieve the corporate contractor of responsibility. Federal law enforcement or Defense was never involved. I do not question the apparently outstanding quality of security Wackenhut provides. I raise the issue only to illustrate the range of public safety issues involved in private security.

From 7-11s to shopping malls, to precious national resources, private security firms have, of necessity, expanded, and in some cases, usurped the traditional roles of municipal and Federal law enforcement. Private security firms are now safeguarding major portions of our society.

I ask that the provisions of this legislation be approved as soon as possible. I suggest that this body consider strengthening it. Prospective guards should reveal any law enforcement positions they have held, or similar training in which they have participated at any time in their careers—successfully or otherwise. I do not want children to attend school in a building patrolled by guards who may be armed, one of whom might have been rejected by a police academy for attitude problems.

I believe we need to *clearly* define crimes, even misdemeanors, which will automatically and permanently disqualify a guard from receiving a license. When a police officer is arrested on drug charges, a sex offense, or any other serious crime, we read about it in the papers or hear it on the news. A private security guard is just another citizen. I have no access to records that tell me what kind of a person is guarding me—and I have learned to have little faith in the institutions responsible for putting that person in a position of responsibility—a position of power.

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Chairman MARTINEZ. Mr. Everett

Mr. EVERETT. Good morning, Mr. Chairman and members. I appreciate the opportunity to testify today in support of H.R. 1534, legislation which I believe is sorely needed.

I practice law in Fairfax, Virginia, and I have been asked to testify based on my experience as a lawyer who represents crime victims in civil litigation across the country.

Often these cases are brought against property owners in a situation where a crime took place and in situations where the owner failed to provide just basic security to protect the public. These cases run the gamut from malls to apartment buildings to hotels and other places you and I once thought were safe.

When we represent such victims, we carefully look at security that was in effect at the time the crime took place. In my experience, it has been disturbing how frequently the security programs we take a good hard look at either were nonexistent, were hopelessly inadequate or were very poorly implemented even if, in theory, they had a good program.

I will give you two examples that illustrate the problems in this area: I represent the family of a young woman who was kidnapped, sexually assaulted, and brutally murdered by a vagrant across the river in Arlington, Virginia, in her apartment building. This crime took place in a high crime area. And despite the fact it was one of worst areas in Arlington, the owners of the complex had hired no guards to protect their tenants. They had allowed vagrants to sleep in stairwells in the building, despite repeated pleas from the tenants to protect them, and they could not or would not even fix a simple exterior door to the building, thereby allowing criminals to come and go as they chose.

All of this took place in an apartment complex that was generating more than \$1 million a year in net operating profits.

In the second case Monica alluded to, I represented Lynette Binford in litigation against an upscale mall in Virginia, and my client, as Monica said, was robbed, beaten, and was left seriously injured in a parking garage. The gang that committed that crime had committed a similar robbery in the same mall in the same parking garage a month before this. Security had gotten the license plate of the vehicle involved, had a description of the perpetrators and of their car, yet when they came back 1 month later to visit the same garage to commit the same crime, and were there for 4 hours at the mall, they were never interdicted.

One reason why is because when the gang came back to the mall most of the security guards at this mall, and there were dozens of

security guards, were inside on a cold February day, in direct violation of one of the few standards that exist in the industry, which is to suggest you should have most of your guards outside where most of the violent crime is taking place.

Now that, I would suggest, is a good example where training and supervision play a critical role in how to prevent a crime. Interestingly, the same gang had gone down the road to a competing mall in Fairfax County shortly before that and attempted to commit a similar robbery in a similar parking area but were spotted by an alert security guard and, in fact, were scared off.

What is the lesson we can learn from the examples in the stories you will hear today? Well, it is simple, and that is that well-supervised, well-trained, competent security guards can and do deter criminals and can play a vital role in protecting the public. This legislation recognizes that key principle, and I commend you for including it.

Why is this legislation so important? Well, I suggest there are six reasons and I would like to summarize them. First, the principal mission of police officers in the United States today is to solve crimes and apprehend criminals. It is not to deter criminals, and certainly not on private properties such as malls and hotels. As a result, the caliber of security guards is critical in today's society.

Secondly, private security is big business and getting bigger. As a result, economic incentives now exist to hire inexperienced, minimum wage guards without conducting the most basic of background checks or providing essential training. After all, the faster you can put someone on a beat that you are paying \$5 an hour to and charge \$10 for their services, the faster you will pocket the revenues. As a result, the absence of regulation ironically works to the disadvantage of those companies and security guard entities which stress professionalism, which pay decent wages and hire selectively, and which screen applicants carefully and actually train their employees properly.

Third, as Mr. Ingber has testified, State programs to regulate security services are either nonexistent or largely riddled with loopholes, particularly in the in-house scenario.

Fourth, job applicants lie and lie regularly on resumes and application forms. I have submitted in my written testimony a study in which 45 percent of the job applicants lied in their applications or resumes, and so the background check is pivotal in that respect.

Fifth, enough security guards are armed such that the combination of little training, no experience, and deadly force can prove disastrous. In my written testimony, I cite an example of a situation in which a convenience store security guard, who was on a stakeout because the convenience stores had had a number of robberies, evidently thought he was Rambo. A robbery took place, and instead of observing the robbery and alerting police, he started firing shots at the robber. The robber then, in turn, shot a hapless patron who happened to be walking in the door of the convenience store at that very moment.

Finally, as has been alluded to, professional guards themselves do commit crimes and the background checks required by the bill provide an effective means of evaluating an applicant's criminal propensity. There is an important point we have to realize. Guards,

by definition, will know the security plan of the place they are paid to guard. They will generally have unrestricted access to that facility. They will know the plan's weaknesses and how to exploit them. Since they are uniquely capable of committing a crime on the premises they are hired to guard, screening is essential and, again, I commend you for including it in the bill.

Finally, should any member—not on this committee, I am sure—any Member of Congress doubt the need for legislation, I would ask them to imagine this scenario, and that is: applicants for the Capitol Police force are not required to identify previous employers; are not required to have their previous employers contacted to see if they have been fired from their previous employment; are not required to undergo criminal background checks for felony convictions; and are placed on the job within hours, or a day or two, of being hired.

I dare say many members would not feel comfortable with that scenario, and yet it is one which many Americans face every single day without realizing it.

Thank you very much.

Chairman MARTINEZ. Thank you, Mr. Everett.

[The prepared statement of Mr. Everett follows:]

PETER S. EVERETT, ESQ.

Blankingship and Keith
Fairfax, Virginia

Good Morning, Mr. Chairman and Members of the Subcommittee. I appreciate the opportunity to testify on H.B. 1534, particularly since it addresses public safety issues of great significance.

I view the bill from the perspective of a trial lawyer specializing in representing crime victims who have been brutally attacked and injured while innocently shopping at a mall, entering an apartment building, patronizing a motel or engaging in a countless variety of ordinary activities we all once thought were safe. In many of these cases the perpetrators committed these brutal crimes because security was lax, and the criminals instinctively knew that the premises were easy targets.

Part of the problem stems from the incompetence, or even worse, the involvement of security guards hired to protect the public. H.B. 1534 seeks to address this problem by establishing pre-employment screening requirements, training requirements and measures to prohibit the hiring of guards convicted of certain crimes.

I would like to address three topics in my testimony: the need for legislation, the special risks security guards present, and areas in which the bill could be improved.

I. WHY LEGISLATION IS VITAL

Cynics suggest that Congress should refrain from enacting new laws, and strive whenever possible to roll back restrictions on business. As a trial lawyer who regularly represents the victims

of corporate indifference, and in particular the victims of inadequate or non-existent security, I vehemently disagree. This legislation is vitally important for five reasons.

First, as any law enforcement expert recognizes, the primary role of state and local police and the FBI is to apprehend criminals, not deter criminal behavior. That role, especially on private property such as malls, hotels, apartments, and hospitals, falls principally on private security officers. Since violent crime appears to be rising steadily, and since private security personnel in the United States now far outnumber police personnel, it is vital to public safety to have reliable, competent, trustworthy guards.

Second, because of increasing crime and shrinking police resources, private security is a growth industry. As a result, in the absence of regulatory requirements, incentives exist to hire poorly trained guards, without conducting rigorous background checks, and put them on the job immediately, to start earning revenue. Ironically companies which provide training, screen applicants carefully and pay wages high enough to attract competent personnel are at a competitive disadvantage vis-a-vis unscrupulous, fly-by-night operations. This legislation would level the playing field somewhat.

Third, state regulation is inadequate. A variety of states have no analogous regulatory program, and others are riddled with loopholes. In Virginia, for example, our state statute only

applies to contract security.¹ As a result, if a mall, hotel, or other entity employs its own guards, no training or other requirements apply. That distinction makes no sense, since guards provide the same function. H.B. 1534 would apply equally to contract and in-house security personnel.

Fourth, job applicants regularly falsify employment applications,² and the legislation would address that problem by requiring employers to conduct basic background checks. That mandate is especially important in the context of prior criminal convictions.

Finally, ample precedent exists on which to base such public safety regulation. DOT, for example, imposes detailed restrictions on drivers engaged in interstate trucking in recognition of the dangers posed by incompetent or dangerous operators.³ These include commercial driver license testing requirements; rules disqualifying drivers for certain traffic offenses, including drug or alcohol use; and mandatory employment and driving record investigations by employers.

¹Va. Code Ann. §54.1-1901.8 (1991 Repl. Vol.)

²In one study recently undertaken by US Datalink of Baytown, Texas more than 45% of job applicants were found to have lied on resumes or job application forms. Parking Security Report, p. 13 (May, 1993).

³49 C.F.R. §§383,390 and 391.

II. REGULATION OF SECURITY PERSONNEL
IS UNIQUELY IMPORTANT

The unique roles security guards play underscore the importance of this legislation.

First, unlike virtually any other type of employee, security guards are intended to project and do occupy a position of authority -- especially with respect to young children. Guards' uniforms, demeanor and equipment intentionally mimic police officers', and many young children may be unable to distinguish between the two. As a result children may be victimized more readily by unscrupulous guards than by those who are not imbued with symbols of authority.

Second, security guards often carry weapons, including guns, and therefore are uniquely able to inflict injury intentionally or through incompetence.

*In Georgia, in an exercise of abysmally poor judgment, a convenience store security guard on a stakeout fired a shot at a robbery suspect. In the ensuing confusion the suspect shot an unfortunate patron who happened to be walking into the store at that time.⁴

*In Texas, another convenience store security guard shot a patron he had wrongfully accused of shoplifting after a quarrel ensued. The guard had previously been convicted of

⁴The resulting civil lawsuit is reported as Lay v. Munford, 235 Ga. 340, 219 S.E.2d 416 (1975).

seven crimes, four of which involved incarceration in the penitentiary.⁵

The bill would address both incompetence, through selection and training requirements, and propensity to commit crimes, through background checks.

It is worth noting that the bill's modest requirements are hardly unattainable. In practice certain companies and institutions conduct rigorous background checks and provide extensive training. As Exhibit 1 to my testimony shows, Emory University's hospital follows a 12 step procedure in hiring and training security guards, and provides for 168 hours of training. In contrast H.B. 1534 only requires eight hours of classroom training for unarmed guards -- a figure which should be tripled.

Third, by definition security guards know an institution's security plan and how it is implemented, and therefore how to defeat it. They learn which parking lots of a mall are patrolled infrequently or poorly lit, how master keys to doors can be copied and where customers or residents are out of view and most vulnerable. In one of my cases I interviewed a police officer who suspected that guards at an upscale Virginia mall were involved in a stolen car ring at the mall. In a similar vein, in 1989 a security guard on duty in a Cincinnati office building took advantage of his position to rape an employee who worked late one evening (Exhibit 2).

⁵The resulting civil lawsuit is reported as Estate of Arrington v. Fields, 578 S.W.2d 173 (Tex. App. 1979)

III. IMPROVEMENTS

H.B. 1534 represents a solid start to enhancing the professionalism of security services and to assigning responsibility to employers to hire and train competent, trustworthy employees. Several improvements should be considered:

1. Applicant Interview

Central to the hiring process should be psychological testing, or at a minimum, a one hour interview by the Director of Security (if in-house) or a security supervisor (if contract) with at least ten years experience. Only through that mechanism will a hiring entity be able to judge the applicant's demeanor, ask questions designed to test the applicant's ability to respond to emergencies, gauge the applicant's temper, etc. Emory University's program includes two interviews and psychological testing (Exhibit 1).

2. Training

As suggested earlier, the bill should increase required classroom training from 8 to 24 hours. Mandatory "refresher courses" should involve 16, not 4 hours annually. Courses should be taught by supervisors with a minimum of five years experience.

3. Minimum Standards

Incentives should always exist to provide more extensive training, and check backgrounds more thoroughly, than the minimum requirements established by the legislation. The bill (or its legislative history) should make clear that the standards are

minimum standards, and that compliance with them will therefore not insulate a provider from civil liability.

4. Misdemeanor Disqualification

Persons convicted of certain misdemeanors should automatically be prohibited from serving as guards for 10 (or at least five) years following a conviction. These include sexual battery, malicious wounding, possession of any illegal drug, weapons violations and indecent exposure. Multiple DWI convictions should also exclude applicants.

CONCLUSION

In conclusion, Mr. Chairman, the legislation identifies and addresses a critical public safety issue, and, with amendments, deserves to be reported out of the Subcommittee.

FOR FURTHER INFORMATION CONTACT: Peter S. Everett, Esq.
(703) 691-1235

EMORY

Crawford Long Hospital

June 8, 1993

Peter B. Everett, Esq.
Blankingship & Keith
4020 University Drive, Suite 312
Fairfax, Virginia 22030

Dear Mr. Everett:

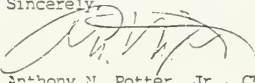
You asked me to outline our security and safety training programs for your testimony before the House Committee on Education and Labor's Subcommittee on Human Resources.

I am enclosing our training requirements for hospital security and safety officers, which are quite extensive and meet or exceed all applicable industry and regulatory standards. Other hospitals have also found this level of training to be cost-effective, as illustrated by the fact that Crawford Long Hospital now provides basic, safety and supervisory training for ten other Atlanta area healthcare institutions.

Our training is based on the standards for basic, safety and supervisory training established by the International Association for Healthcare Security and Safety (IAHSS) and for security firearms training by the National Rifle Association of America (NRA). I believe that the best resources for developing and implementing training programs adequate to meet the specific requirements of various security venues (financial institutions, healthcare facilities, hotels and motels, retail stores, shopping malls, etc.) are the existing professional security associations or security committees of trade associations. Some, like the IAHSS, have been doing so for years.

Since the legislation under consideration would regulate selection as well as training of security personnel, I am also including an outline of the 12-step process used by Crawford Long Hospital to select and train our security officers. If I can be of any further assistance, please call me at (Area Code 404) 686-1375.

Sincerely,


Anthony M. Potter, Jr., CHPA, CPP, CST
Director of Public Safety

Enc. (2)

550 Peachtree Street, N.E. Atlanta, Georgia 30365-2225 (404) 686-4411

THE EMORY UNIVERSITY SYSTEM OF HEALTH CARE
The Robert W. Woodruff Health Sciences Center

EMORY

Crawford Long Hospital

Department of Public Safety

Security Officer Selection Process

<u>Step</u>	<u>Description</u>	<u>Coordinated by</u>	<u>Weeks</u>
1.	Post and advertise positions; selective recruiting	Human Resources Recruiter Director of Public Safety	-10
2.	Review applications and select candidates (5 per position); schedule interviews	Director of Public Safety Human Resources Recruiter	-8
3.	Initial interview; interview by selection board; complete Georgia Board of Private Detective and Security Agencies application; sign consent to obtain criminal history and driving record	Human Resources Recruiter Crime Prevention & Investigations Coordinator	-7
4.	Select primary and alternate candidates; conduct background investigations; obtain criminal histories and driving records	Director of Public Safety Crime Prevention & Investigations Coordinator	-6
5.	Psychological testing	Director of Public Safety	-4
6.	Offer of employment	Human Resources Recruiter	-3
7.	Health assessment and drug screen	Employee Health Coordinator	-2
8.	Report for duty; hospital and public safety orientations	Director of Human Resources Training Coordinator	1
9.	Basic training (120 hours)	Training Coordinator	2-4
10.	Safety, defensive driving and CPR training	Training Coordinator	5
11.	Field training and evaluation	Field Training Officer	6-10
12.	Probationary period; final evaluation	Watch Commander and Director of Public Safety	11-25

550 Peachtree Street, N.E. Atlanta, Georgia 30365-2225 (404) 686-4411

THE EMORY UNIVERSITY SYSTEM OF HEALTH CARE
The Robert W. Woodruff Health Sciences Center

TRAINING BULLETIN

SECURITY AND SAFETY DEPARTMENT

Crawford Long Hospital of Emory University

TRAINING REQUIREMENTS FOR HOSPITAL SECURITY AND SAFETY OFFICERS

Security officers at Crawford Long Hospital are required to hold the following permits and certificates:

1. Concealed or exposed weapon permit from the Georgia Board of Private Detective and Security Agencies. This requires a minimum of 12 hours of classroom training and a score of at least 60% on the Georgia Modified Police Pistol Course (PPC).
2. Basic Training Certification from the International Association for Healthcare Security and Safety (IAHSS). This requires a minimum of 40 classroom hours in mandatory and elective subjects or completion of a self-study course and passing a written examination administered by a Senior Member of the IAHSS.
3. Safety Training Certificate from the IAHSS. This requires a minimum of 20 classroom hours in mandatory subjects or completion of a self-study course and passing a written examination administered by a Senior Member of the IAHSS.
4. Cardiopulmonary Resuscitation (CPR) "A" Course or higher from the American Heart Association (AHA). This requires a minimum of four hours of study and passing written and practical examinations.
5. Defensive Driving Course from the National Safety Council. This 8-hour course is required for all employees who drive hospital vehicles.

In addition, all superior officers (Lieutenants and above) are required to hold an IAHSS Supervisory Certificate. This requires a minimum of 20 classroom hours or completion of a self-study course and passing a written examination administered by a Senior Member of the IAHSS. Completion of the self-study course and passing the written examination is required prior to being considered for promotion to supervisory rank.

Due to the complex security and safety requirements of an urban healthcare environment, our basic training curriculum substantially exceeds the minimum requirements of the State of Georgia and the IAHSS. Between September 1990 and May 1991 all officers, regardless of length of service or prior experience, completed 100 hours of basic, firearms and CPR training. Beginning in 1991, all new officers were required to complete 140 hours of initial training, which was increased to 168 hours in 1992. We believe that this level of training is essential for our security officers to maintain a safe and secure environment for quality patient care.

"If you think training is expensive,
consider the cost of ignorance."

TO: Peter S. Everett, Esq.

FROM: William B. Singer, Esq.
2900 Carew Tower
Cincinnati, Ohio 45202-3090
(513) 579-1414

RE: Toula Gianioris v. The Wackenhut Corporation; Case No. A9007512,
Hamilton County, Ohio Court of Common Pleas, Settled October, 1992

DATE: June 11, 1993

In August, 1989, the Plaintiff in the captioned case was working late alone in a downtown Cincinnati office building when a security guard employed by The Wackenhut Corporation to patrol the building under contract with the building owner seized her and raped her. The guard was later convicted of the rape and is presently serving time. This rape occurred because the security guard was placed into a position of trust where he had the opportunity to commit the crime (the very kind of crime he was employed to prevent) without adequate pre-employment screening, training, or supervision.

This guard had been hired in May of 1988. On his application for employment, he listed a residence in a small town in Kentucky, some 40 miles away from Cincinnati. He provided no prior employment history, claiming he had been self-employed as a draftsman for about 4 years in another small town in Kentucky, about 150 miles from Cincinnati. He gave three or four personal references in Kentucky and Indiana, only two of whom were checked out by Wackenhut, and turned out to be just friends of his. One police agency, in the small Kentucky town where he apparently grew up, was checked by Wackenhut and returned no negative findings. As part of the registration of a security guard required by the Ohio Department of Commerce, a criminal record check was conducted by that agency (not by Wackenhut), which was limited only to the State of Ohio's records. Not surprisingly, no negatives appeared. The guard was hired on the same day he applied. The minimal investigation into his background that was done occurred within a few weeks after his hire.

Wackenhut's selection and placement procedures did not require that an applicant have any prior employment history to qualify for a security guard position, unless he was being considered for airport security or some other post where Wackenhut's client required an employment history.

The training provided to this security guard by Wackenhut consisted of requiring him to view three videotapes whose total running time was less than 2 hours, and to take shallow true/false tests regarding the content of the videotapes. It is interesting that Wackenhut's training procedures specified that the videotapes were to be shown to the prospective security guard before he was offered a position, so that Wackenhut would not have to pay him for the time spent in this "training." Later, on the job training consisted mostly of familiarizing the guard with the post to which he was assigned, the post orders, and Wackenhut's procedures.

Wackenhut's supervision policy relied upon frequent, unannounced inspection visits, especially where, as in this case, only one guard per shift was assigned to the post. The problem was that the supervisory visits were not frequent enough. The supervisors who were employed by Wackenhut to make these visits were overstretched to the breaking point, and simply could not visit any post frequently enough to deter wrongdoing.

My investigation in connection with this case led me to believe that such inadequate levels of pre-employment screening, training and supervision are not atypical of Wackenhut or of the other large national and international security companies. Companies who do much more rigorous background investigation, training and supervision seem to be able to minimize claims of security guard wrongdoing -- although, of course, they have to charge more for their services as a result. It was the opinion of the experts that I consulted in this case that a rigorous application and training process itself tends to eliminate unstable people who may be likely to do harm, because such people will tend to drop out before completing the process.

While it may be true that human behavior cannot be predicted with any degree of certainty, the risk that a security guard placed into a position of trust will do harm can be substantially reduced by requiring more intensive investigation, training and supervision. In our case, investigation into the guard's background after the rape turned up no evidence of previous wrongdoings; but if Wackenhut had employed more demanding standards and procedures, he would not have had the opportunity to commit the rape because he would likely never have been hired.

I would recommend that the following elements be incorporated in any legislation seeking to reduce the problem of security guard malfeasance:

1. Require that all security guards hired must be able to demonstrate a minimum of five years prior employment history, and that such history be verified by the company before hiring.
2. In addition to prior employment history, a minimum of three meaningful personal references, such as teachers, coaches, clergy and others who have been in a position of authority involving the applicant must be supplied and checked before hiring.
3. A national check of criminal convictions and arrests should be made. Any felony conviction and any conviction of a misdemeanor involving violence or dishonesty should automatically disqualify a candidate from employment as a security guard no matter how long ago it occurred. Other misdemeanor convictions and arrests not leading to conviction should be evaluated as indications of the individual's character.
4. Pre-assignment training of security guards should follow hiring, and should consist of at least two full workdays of classroom training in subject matters appropriate to law enforcement, human relations, safety, etc. The subject matters can be specified by experts in security. The important thing is the opportunity for the company to know the individual they are hiring before placing him or her into a position of trust.
5. Security guard companies should be required to make frequent and unannounced inspection visits to guards assigned to posts on a random schedule, no less than three times per week per shift. Other methods of making sure that guards remain on their best behavior, such as electronic pagers, frequent telephone calls to the post, etc., may be considered.

While I would not advocate that this legislation provide that security guard companies become strictly liable for loss or injury caused by their guards, it should have some economic teeth to assure that the companies comply with its requirements. Because the objective is ultimately to reduce the risk of loss or injury caused by security guards, companies ought to be made financially liable to injured parties in any case in which a security guard causes harm and it is proven that the employing company did not conform to the statute's prescribed procedures in the case of that guard.

Chairman MARTINEZ. Mr. Brill.

Mr. BRILL. Thank you, Mr. Chairman, and members of the subcommittee.

By way of introduction, let me say that I approach this bill from the perspective of one who has spent probably the last 25 or 30 years of his life studying violent behavior, with a graduate degree from the University of Pennsylvania and then as a professor at Georgetown University, and then, since 1973, I have managed a security planning and research firm based in Annapolis, Maryland.

Perhaps more relevant for our work here, in the last 10 years I have served as an expert witness where people have asked me to comment and to provide an expert opinion on the adequacy of security in such areas as shopping centers, hotels, malls, apartment buildings, stadiums and transit facilities. In the course of a year, I probably review over 200 violent crimes.

I say "violent" very deliberately. If you search your darkest fantasies about what some people can do to other people, I certainly have it in my portfolio, from mass murder to mutilations to rapes to homicides to assaults. What is important about these, and I think for the committee's intention, is that these have all occurred to ordinary people in ordinary settings. Nothing exotic about the individual, who, in many cases, is as banal as one could imagine the evil that is perpetrated.

As you see, I deal in the consequences of things: the consequences of poor lighting; the consequences of poor design for some of these environments; the consequences of people who are growing up poor, disturbed, troubled, who are unloved and, indeed, who get very little help along the way. But, I also deal in the consequences of a failure in many respects of a security industry and, indeed, of property owners to exercise reasonable care to protect the people they invite to come on their property, either as renters or, as Mr. Everett is talking about, in the environment of the malls.

It is for that reason, based upon that background, I heartily support your bill, Mr. Chairman. As Mr. Everett pointed out, security is a big business and it is getting bigger. For example, in 1969 there were some 300,000 in the private security industry in the United States. In 1990, there were over two million people employed in the private security industry, and I am sure at the present date it is even greater and getting bigger. It is spawned by the public's concern about crime, which is reaching tremendous proportions, as you know. It is also spawned I think by businesses who realize now they are going to have to meet the responsibility to provide adequate security and one way, of course, to do that is to provide guards.

The question is when you provide guards, what are you providing? Who indeed is behind and underneath the uniform? The question I think which is implicitly proposed in your bill, which interests me so much, is what kind of industry are we going to have in the years ahead? It is not going to go away but will become a bigger and more profitable industry and certainly involve more people.

Will it be an industry that provides people poorly paid and poorly supervised guards, including companies that have over a 500 percent turnover rate a year that hire a guard one day, in the

morning, and put him on the next day or, worse, that afternoon, and offer no training and no future to their employees? Is it going to be an industry that has been a traditional career stop for any number of criminals, including mass murderers?

In fact, it seems like it is the point of preferred employment for mass murderers in some recent studies, including people like James Huberty in California, who gunned down 21 people in a McDonald's restaurant in San Jacinto?

Regrettably, the report I just outlined describes many of the companies, not all, but many of the companies I have to say that I have come to know over the last 20 years, as I have studied them in preparing expert testimony and as a security consultant that has been hired by malls and apartments and shopping centers to improve security.

Tragic examples, I have to say, abound in my portfolio, as I mentioned. One that has been covered here is the Binford case at a mall where a woman was beaten by four teenagers with baseball bats. Mr. Everett has talked about that.

Another case which is very representative, although it is very severe, is the Sylvia Seegrist case. This occurred on Halloween in 1985. A woman name Sylvia Seegrist got out of a car in a parking lot in a Springfield mall in Pennsylvania with a rifle in her hand. A security guard was about 100 feet from her. In his subsequent testimony he said that he thought she must be returning the weapon, since they sold weapons at the mall.

When she began firing, his testimony was that he believed she was firing blanks. When he saw the rounds hit the side of the mall, which was a big regional mall, almost a million square feet, then he realized clearly something was the matter and he called his partner. There was only one other person on duty at the time standing inside the mall. The guard concluded nothing should be done until the partner had a chance to observe what was going on, including not calling the police.

By the time it was all over, four people lay dead, including a child, and seven were wounded. It qualifies, by any criminologist's standard, as a mass murder. The woman was subsequently disarmed by a young applicant who had been turned down for the State police in Pennsylvania, who simply walked up to her and took away the weapon and ended the episode.

I cite that not just because it is tragic, and indeed it is a dramatic example, but it shows a security guard responding just as ordinary people who first deny the threat, are confused, and don't know what to do, and that is not the way you want a guard to respond, the way any of us would. You want a guard to respond, as you pointed out in your opening remarks, Mr. Chairman, with some sort of training and some understanding as to what their role is and how to perceive danger and how to respond quickly.

Other cases, one recently, the McCarthy case, of a young couple in Philadelphia. The guard got angry at his employer, walked off the job, leaving a relatively vulnerable apartment on the ground level with exposed windows, unprotected. Two men appeared at the window of the apartment, beat up Mr. McCarthy and dragged Mrs. McCarthy away where she was subsequently raped and severely assaulted.

Other cases, one here in Capitol Park, for example, is a security guard who would not pass muster if anybody looked at his background, who severely beat a man over a minor dispute, over how an elevator was operating.

These are only three or four cases. There are many more, and I think the committee understands the magnitude of the problem. I just cited them because they indicate a breach, a clear problem with security, and the need to have good people doing an important job. H.R. 1534, as I read it, I think would be an important first step in regulating this important industry.

A regulation sticks in everybody's throat. I have to say I was a county council member in Anne Arundel County for 4 years and I know how troubled we all were by increasing regulations which came down from Federal, State and local governments. But I think several factors place the security industry in a special category which make this kind of regulation important.

First, and I cannot underscore this enough, and Mr. Ingber mentioned this point as well, well-trained, properly deployed and recruited security guards do make a difference. They deter crime and prevent crime and they do interrupt crime even if the criminal decides to go ahead.

Over the last 10 years, I have interviewed hundreds and hundreds of convicted felons, extraordinarily violent people. In not all cases, but in many, many cases, I am told that had there been a security guard, had they believed the security officer was competent and authoritative, knew his job, they indeed would not have committed the crime and would have moved on.

Secondly, I need to point out that it puts the guards in a special category. A guard in a uniform carries a very special kind of authority. Rightly or wrongly, people trust guards. A guard in a mall is cloaked in the owner's authority. He is a person of status and respect. He is someone that should be turned to, and people, particularly children, as Mr. Everett pointed out, children should turn to. Believe me, it can be a cruel hoax to find out otherwise; that the guard can respond no better than anybody else and, indeed, in many cases, worse.

Finally, I think a special characteristic of the security industry, an unhappy one, that I believe my colleagues or people in the industry would agree, the security industry, for a variety of reasons, attracts actual and potential criminals along with people who have an interest in providing security and helping people. I've found through the people I've interviewed over the years who have worked for security guard companies, and many people, many criminologists other than myself, that many criminals are police groupies that have police radios, and they are fascinated by the legal side of their world.

This bill, in my view, is an important first step in solving some of these problems and moving toward professionalization of an industry which will just boom in the years ahead and which I think is going to be tremendously important to all of us, because the public side cannot really provide the type of security I think the country needs because of funding levels and other responsibilities.

The bill I think is very important and one provision I want to underscore, is the access to records which applies to private compa-

nies. Many of my clients over the years have been large regional malls, and their problem is they cannot get access to criminal history data on the people they want to hire. This bill would allow them to do that, which in many States they cannot now do unless they do it informally or sub rosa.

My only reservation, Mr. Chairman, about the bill is perhaps it does not go far enough in the area of training. I have trained security guards and run programs like that. I realize 8 hours is the minimum, and I think probably we are all hoping the States would do more than that, but it is hard to cover the topic I think the bill calls for in 8 hours. And sometimes when you have short training times like that, it leaves the people teaching the test rather than teaching the subject.

I think in light of the benefits of the bills, they are minor complaints and I support it wholeheartedly for the reasons I have tried to outline. I hope the committee reports it out soon.

Thank you, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Brill.

[The prepared statement of Mr. Brill follows:]

STATEMENT
OF
WILLIAM H. BRILL, PH.D.

Before

The House Education and Labor
Subcommittee on Human Resources

June 15, 1993

* William Brill manages William Brill Associates, Inc., a security planning and research firm based in Annapolis, Maryland. He received his Ph.D. from the University of Pennsylvania and is a former Associate Professor of Government at Georgetown University. Over the last twenty years he has trained and evaluated security guards and appeared as an expert witness in dozens of cases where the training, deployment and recruitment of guards has been an issue. His work in these cases as well as his independent research has also involved interviewing perpetrators of violent crimes to determine how they decide where to go and whom to attack, and the role security measures, including the security guards, play in their decision-making process.

I deeply appreciate the opportunity, Mr. Chairman and members of the Subcommittee, to testify on H.R. 1534, the Security Officers Quality Assurance Act.

As the Subcommittee knows, the private security industry is big business. In 1969, according to the FBI Bulletin (January 1990), there were 300,00 people in the private security industry. In 1990, it was over 2,000,000, more than twice the number of those in public law enforcement, and I am sure the number is even larger today. And the industry is likely to continue to grow in the years ahead as people search for more security than public agencies can provide and businesses strive to meet their legal duty to provide adequate security to their patrons.

The question is -- what kind of security industry is it going to be? Is it going to be an industry that includes companies that field poorly paid and poorly supervised guards; that includes companies that have five-hundred percent turnover in a year, that hire a guard one day and put him on duty the next; that offer no training, no future for their employees -- an industry that has been a career stop for any number of criminals, including mass murderers like James Huberty, who gunned down twenty-one people at a McDonalds in California?

Regrettably, this portrait describes many of the security companies I have come to know over the last twenty years as I have studied, as a security planner and expert witness, hundreds of violent crimes that have occurred in shopping centers, malls, hotels, office buildings, apartments and parking lots. Time and time again, a contributing factor in these crimes was a failure to deploy an adequate number of guards who were properly recruited and trained.

Tragic examples abound in my portfolio:

The Silvia Seegrist Case -- On October 30, 1985, Silvia Seegrist got out of her car in the parking lot of the Springfield mall in Media, Pennsylvania with a rifle in her hand. A nearby security guard, seeing her, concluded that she must be returning it; and when she began firing, he first thought she must be firing blanks as a Halloween prank. Only when he saw bullets hit the mall did he call his partner, who upon hearing what was happening decided against calling the police until she could personally investigate. Before Silvia Seegrist was disarmed by a young man who was shopping in the mall, she had killed four people, including a child, and wounded seven others. An investigation conducted after the event determined that Seegrist had threatened several times to commit murder in the mall and that the mall's security service knew of these threats and took no action. A jury in a civil action brought by the victims and the survivors of the shooting found the mall negligent for failing to provide adequate security.

The Binford Case -- In this case, Ms. Binford was attacked by four teenagers with baseball bats as she opened her car in a parking garage at Tysons Corners Mall in Virginia. Subsequent investigation showed that they had been sitting there for over an hour before attacking her, and that the mall's security

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guards failed to adequately patrol the parking area and had taken unauthorized breaks. Following a civil action brought by Ms. Binford, the case settled.

The McCarthy Case -- This crime occurred in an apartment building in Philadelphia. After a security guard left his post, angry over a pay dispute, two men broke into the McCarthy's apartment, beating Mr. McCarthy and abducting and then raping Mrs. McCarthy. Civil litigation against the guard service is pending.

These are only three cases. There are many, many more. Some even involve security guards who attacked the people they were hired to protect. I cite these three because each of them involved a clear failure of security services. To be sure, there were additional factors that contributed to these victimizations, but each of these crimes could well have been prevented by better trained and better qualified security guards. And, as noted above, there are countless more that I have encountered over the years.

H.R. 1534, as I read it, would help to change all this by establishing recruitment and training standards for the private security industry. Normally, this type of regulation (I say this a former member of the County Council in Anne Arundel County in Maryland) would be troubling in that it will require the writing of regulations and a certain level of staff support from the federal and state governments.

But several factors place the security industry in a special category that make this kind of regulation appropriate:

-- Well-trained, properly deployed and recruited security guards can make a difference. Notwithstanding my criticism of some of the industry cited above, properly trained and managed guard services can deter and prevent crime, and often do. I have had countless criminals tell me that had there been a guard at the scene or had they believed the guards that were on the property were competent, then they would not have committed the crime.

-- A guard in a uniform carries authority. Rightly or wrongly, people tend to trust guards. They expect for the most part that the guard will know what to do in a crises and that the guard will help them. Cloaked in the owner's authority, he or she is someone to be turned to. It can be a cruel hoax to find out otherwise.

-- The security industry attracts actual and potential criminals along with people who have a genuine interest in private security and in helping people. In many of my interviews with convicted murderers and rapists, I have found that many worked for security guard companies at one point or another. One reason for this was that the job was easy to get; another was that it put them in touch with potential targets. But another was a fascination with anything related to police work.

This bill, in my view, is an important first step in solving some of the problems facing the private security industry and would contribute to the professionalization of the industry. The background checks called for by the bill would help weed out convicted felons and the training provision would not only provide guards with an understanding of their job but would provide another opportunity to observe them and to determine their fitness for their assignment.

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The fact that the bill's provisions seem to include companies that hire their security personnel directly as opposed to hiring outside contractors is also an extremely beneficial feature. As it stands now, companies that wish to staff their own security force can not, at least in the several states I have worked in, get criminal history information on their security employees. Only security contractors can. By including companies that choose to staff their own security services, the bill allows them to gain this needed information and will thus strengthen the security services of companies that have elected to staff their own security forces rather than hire outside contractors.

My only reservations about the bill is that it does not go far enough in the area of training. In my experience, eight hours is not enough to train people to provide the kind of protection the public expects and deserves. Such a short span could lead "to teaching the test" rather than the subject. In my view at least twenty-fours of training would be required to adequately cover the topics listed in the bill. It is also my view that training should include CPR and first aid.

But the bill is an important one, and I hope it will gain the support of the Congress.

Chairman MARTINEZ. I want to thank you all for your statements.

Mr. Brill, you bring kind of a unique perspective to this testimony. I understand that you generally learn about the failures of the security guard system through interviewing perpetrators of crimes. I guess you may be able to give us some insight into what causes a criminal to pick a particular situation; maybe even in regard to picking the site as a mall to commit a crime?

Mr. BRILL. I think the question contains the most important part of its answer and that is the criminals do pick their sites. They do make decisions. It is not as capricious or as random or as spontaneous as we would think. They go through a decisionmaking process which a lot of people, I think, don't understand. Most people look at crime as a random event that just appears.

Criminals pick their sites and in their decisionmaking process my experience has been that many criminals, not all, but many criminals will stalk environments and subselect victims. They will start by choosing an environment they think is vulnerable, that have characteristics which make them comfortable and assures them they will find the kinds of victims they want in the kind of circumstances they want that will allow for their escape.

Malls have a special appeal and create special problems for mall owners, as I say, some of which I have worked for over the years. They are quasi-public even though private in the legal sense. It is easy. You cannot stop someone from coming there. People are brushing by one another all the time.

In my experience, malls have a special meaning to many of the criminals I talked to. They represent America; the world they will never have and never see. They are the golden places, and to strike them is to strike a target which has significance beyond the victim.

And this is on a more psychological dimension, which I don't know that your question spoke to, but the key thing to realize is many criminals choose vulnerable environments. They think about where they are going to go and who they will attack. For that reason, the hardest environments to have good protection and have an authoritative presence is important for them. And I have talked to many who will just move on. Now, they don't give the world of crime up or go to our community college in California, but they move on.

Chairman MARTINEZ. One of the things we know about the security guards as they exist now in malls is they have no arrest powers. In many cases, people in malls, and I have even heard these remarks, since I do spend some time in malls as a shopper, that people have no respect for security guards.

In many cases a lot of the guards, just by looking at them, you know they are not in good physical condition. Another thing by looking at them is you know, even by the nature of their looks and the way they carry themselves, they will not move too quickly to try to suppress any kind of a situation that arises quickly. Their immediate response may be very much the one you described, where they waited for a partner to show up to discuss what they should do, when the instant response should have been to call the police immediately. You had a dangerous situation that was getting even more dangerous.

The point being, with the low esteem the public now has with respect to security guards, some kind of minimum requirement of training and screening, I think will add a certain professionalism to that industry which should raise the esteem a bit and should provide more cause for people to respect those in the industry.

You mentioned that people don't like regulations. I agree with you. Nobody likes regulations. However, responsible people look at regulations as a challenge in how to improve their operations and themselves, and I would hope the security industry would look at this bill in this way.

If you were evaluating a particular security guard, what would you look for?

Mr. BRILL. I think certain fundamental characteristics of being conscientious, on time, a good work history. I think security guards, interesting enough, can come from a variety of backgrounds. We have hired security guards over the years who may be students, may be graduate students, retired firemen.

In other words, there is not necessarily one pipeline. You want someone who has some experience and interest in people, in helping people, sees themselves in a service mode. I think that is very important, they should have some experience in handling crises, maybe in fire or in some sort of health care background. They don't just come right off the blocks.

A good security force would be a mixture of various people, even by age, because of the population you are dealing with in a mall and should include someone with arrest powers. There is no reason you cannot have an off-duty policeman who does have arrest powers on the owner's property. They don't all have to be the same type of person out there.

And your comment about the perception of people in malls. Malls are studying this now and malls are finally agreeing that the public is demanding security, that they are going to have to sell security in the years ahead; that they cannot put it underneath the table and hope it does not interfere with the festival atmosphere of the mall.

Bills like this I think will raise the standard and raise the perception that security guards have. One thing, though, the trouble is that the bad guys perceive the malls the way you describe. The average citizen I think perceives the guard as someone that will help him and someone who will be there for them. The rough kids, the thugs, the bandits, they probably have a perception that you described of a guard in a cop hat that doesn't know what he is doing. The trouble is the people, though, who need the person don't understand the limitations of the guard.

Chairman MARTINEZ. Thank you, Mr. Brill.

Mr. Everett, you laid out in your testimony some very distinct criteria that you thought should be required. The one thing is that we all agree that background checks are an important thing to have to prevent that situation that occurred in Cincinnati. As I understand it, though, from your testimony, that guard had no previous history of criminal behavior and training would not likely have changed his potential to commit the crime, other than more expansive oversight by his superiors, which may have prevented that crime.

I wonder how this case illustrates the need for this legislation? Can you explain that to me?

Mr. EVERETT. That was in my written testimony. I discussed the situation in which a security guard had raped a female office employee who was working late in an office building in Cincinnati.

One of the things, and I am not sure if it came to light in the materials I submitted, was that he had lied on his employment application that he had an employment history and that it was not revealed and not checked up on.

I think if you go back to what Mr. Brill has said, one of the things you want to look at should be trustworthiness when hiring guards. If you do a substantial background check and find out an applicant for a guard position has lied about such a basic premise as what they did before in terms of employment, that would start calling into question their ability on a variety of fronts, and I think that might have been a trigger at least in calling into question that guard's or that applicant's ability.

Chairman MARTINEZ. Mr. Ingber referred to the delay in getting a background check back. If it had come sooner, the employers would have probably known about this particular individual situation and removed him from that position he was in.

Would access to the FBI checks, in your mind, speed the process in getting the information back on these background checks?

Mr. EVERETT. It would and we need to point out, to underscore what Mr. Brill said, we have two million people employed in this industry and there is, unfortunately, a very frequent turnover. So the faster those FBI checks get through NCIC, or whatever means can be done, it really will assist both proprietary and in-house users of security guards.

Chairman MARTINEZ. Thank you. Thank you, Mr. Everett.

Ms. WORTH, you know, first I have to say I admire your persistence in trying to bring about much needed changes in the security industry, especially in light of what happened to you, and in trying to convince mall owners to be honest and forthright about the extent of the potential danger in their public places. All too often we assume because we never hear of any problems in the shopping malls that they are safe. A lot of people go there and never encounter any kind of a problem. They see the security officers so they imagine it is a crime-free area. You have demonstrated this is not the case.

The legislation that I have introduced does not address the need for public disclosure of crimes on private property such as shopping malls. Do you feel that is a practical and appropriate requirement to be mandated?

Ms. WORTH. I am not sure how you would link it to this legislation. I am certainly not an expert at that, but it certainly should be something we think about as a society, as increasingly large portions of our life are controlled by private rather than public spaces.

What occurs in a store on a city street becomes public knowledge. Because I can pick up the newspaper and read the crime statistics or I can call the police and find out. I can talk to a beat cop, I can do a number of things. However, what occurs on private property, whether a shopping mall, a college campus, a theme park is not accessible. I actually had to sue, at least in the State of Virgin-

ia, to get that information, to have subpoena power to go through their records.

That is an expensive process, and despite popular theory, people don't sue at the drop of a hat. It is a very complicated process to go through, and once I had the information, I found that there were all sorts of restrictions on how I could use that beyond my own case. It was very difficult to make that information public and yet it was clearly public safety information.

Chairman MARTINEZ. Well, there are people that probably would respond that requiring such disclosure in the law is beyond the scope of this legislation, and it may be. But I look at it in terms of a right. I believe the public has a right to know the potential dangers in areas that they visit.

I don't think we should allow the public to go along its merry way without realizing there may be a potential danger. If you realize there is a potential danger, you can be better guarded against it.

Ms. WORTH. Exactly.

Chairman MARTINEZ. So I find that what you did was really very important. You actually forced a mall to publish its statistics. Have you found that because of your insistence the situation in malls have improved at all, the security in any of them have improved?

Ms. WORTH. I would have to say yes and no. And I also want to raise the idea that malls often advertise that they are safe. They put in their written materials that they are safe. And without some standard of security or standard of procedure for the security guards, perhaps if there were some regulations on their security guards that they were forced to meet, they would in fact be safe environments.

As far as what the changes have, what changes have occurred, there is more of a trend by shopping malls to look at these issues. Mr. Brill probably has seen in the last 2 or 3 years a lot more requests for this sort of information, and the debates that have gone on have become much more broad.

As I say, only one shopping mall in the country currently publishes its statistics and that is the one mall in Northern Virginia. That is a big change. Everyone always said you have to understand they are protecting their bottom line and my answer is I don't have to understand that.

Chairman MARTINEZ. You know, your experience brings out the fact that there should have been security guards there to protect you. However, several of the witnesses have responded or given testimony to this fact in most cases the guards are there to secure the property, to protect the property. Most people don't think that. Most people think those security guards there, and actually those security guards in there should be protecting people as well as property.

I am wondering though—I don't know who would answer this—but, is there something in the training that makes security guards believe their only purpose for being there is to protect property?

Ms. WORTH. I can't speak to their training but I can speak to the attitude of mall management a little. Security is a sidebar issue. It is a necessary evil, if you will. It is not among their priorities as

they look at service to their customers, although that is changing and Mr. Brill could speak to that.

The whole issue of security is put on the back burner and it is something they just have to provide and they spend as little money on it as possible, is my opinion. I can't substantiate that but I believe it could be substantiated.

Chairman MARTINEZ. Mr. Brill.

Mr. BRILL. I think it is changing. Years ago I was kind of the Darth Vader of malls. I would go to malls and ask managers—"What about security," and they would say, oh, here comes Brill with all his horror stories.

In those days no one got promoted because they did a good job with security; you got promoted because you worked and got the zoning exceptions, you got the right tenant mix or came up with a new management concept, but not because you were protecting people. But this is changing. There is no question about it.

In my fantasy world of security, what I would like to see, and you could not do it through legislation, but just make an observation, if we could somehow require people in malls and large companies to prepare security plans and make the plan available to the public. So if you decide you want to go to mall X or Y with your kid and you can say, hey, what security services are available. I know the shopping services. I know they have a Penney's and they have this and they have a Nordstrom's; I am that kind of guy. But what about my kids and security? Are the guards on duty? Do they know what they are doing? Are they trained? Do they know CPR? Do they have arrest powers?

What security services is the mall going to offer? I don't know if you can do it through legislation, but some of the large ones, Rouse, for example, has security plans for each of their malls, and I think others, the big majors, are moving in that direction.

Mr. EVERETT. One point I would add, Mr. Chairman. I have mall cases across the country, including one in California, and one of the patterns, disturbingly, I see are all security guards end up inside and, of course, that is where the property is. Where the people are being hurt, mugged, raped or murdered is outside in the parking lots. So even if they are not consciously saying let's protect property, that is where the resources are, not where the people are endangered, which is outside, generally.

Chairman MARTINEZ. Mr. Ingber.

Mr. INGBER. Mr. Chairman, your question raises another issue, which is the interface and interrelationship between security and law enforcement and I think it is important to note that security does not supplement law enforcement. It can complement law enforcement, but law enforcement is there for the protection of people and property, for the enforcement of the laws, for the apprehension of criminals.

Traditionally, security is there to observe and report and, by its presence, to deter. We are not looking—I don't think the security industry is looking to take over law enforcement type of activities and responsibilities.

Mr. BRILL. Mr. Chairman, if I could comment. The issue is where is security in the crime prevention role. At one point today, in Texas, there are, for example, major apartment buildings who have

what we would call "security guards," but they have chosen to call them "courtesy patrols." The issue being, which I raised with them, there is a lot of discourtesy on their project, that is why they need these patrols to handle it, but what they really want to do is limit their liability by saying they are only offering people who are supposed to be courteous to one another.

But the juries have not bought that and they won't buy it. They have not in the past, and they will not buy it in the future. But that is the kind of range; the private security guard force that comes close, as you point out, to real law enforcement and apprehending criminals putting them under surveillance.

What you have, I might add, in your major stores, if you go to a Penney's and try to walk out with a dress or suit, you will find you are not talking to a courtesy patrol, you are talking to a law enforcement guy who will arrest you and put you in jail. So you have that. At one end you have that and at the other end you have these so-called "courtesy patrols" who just kind of wander around and give people a false sense of security until something goes wrong and then they say I am just interested in courtesy, not in protecting you.

So I think it is an issue which I think your legislation will drive a better definition of who are these people and what will they do.

Chairman MARTINEZ. Mr. Ingber, you mention in your testimony the situation of in-house security and there being no standards for them or training requirements for them. I don't know if you mentioned in your testimony or not, but New York did recently provide new rules regarding security guards. Could you tell us about that and is that correcting that problem?

Mr. INGBER. Yes, Chairman, the Security Guard Act of 1992, which was passed in the summer of 1992 for the first time in this country regulates and treats in-house security guards similar to contract security guards. Now training requirements, regulations, and registrations are all being considered by a 13-member panel which is provided for in the legislation. They will be making recommendations to the Commissioner of the Division of Criminal Justice Service, and those recommendations, hopefully, will come into law.

We have not yet seen the impact of the law because it is too early. The bill itself takes effect at the end of this year. But, I think everybody expects it to greatly improve the training and the screening of the in-house guards who were not screened and not trained or not required to be screened or trained up until the passage of this legislation.

Chairman MARTINEZ. Thank you.

Mr. Baesler?

Mr. BAESLER. Yes, I have some concerns. First of all, I do support the purpose of the legislation, but it seems to me that we are not training them as police officers but we will let the public believe they are police officers. We are in a dangerous zone here because we will let the public believe something that is not so.

If they are there to protect the property of the mall that is one thing. If they are there to protect the people, that is another thing. I think we have two different types of goals here. My concern is that if we are not careful, we will give the public a false sense of

security. The public will believe they are dealing with trained police officers, but who fall far short of that training.

This legislation is attached to funding for juvenile funding. If our purpose is to let people feel secure when they go to malls or other public places, it seems to me we should add one more proviso that a security officer must be supervised by a person who is trained as a police officer.

Now, my concern is you have many people running around with guns, but they are not police officers. With only 8 hours' training, we are not going to have attained a police officer.

So, Mr. Chairman, for purposes of security and people feeling good about that security, I would support an addendum which says security officers must be supervised by people who have the training of police law enforcement officers. I don't think we will solve the problem of these assaults and things we are talking about if we are still just dealing with individuals who do not have any portion of the training that regular police officers have. That scares me.

Mr. Brill, you pointed out a while ago this is getting to be more and more of an issue. I would vote for this bill tomorrow, but I am afraid if we are not careful it will appear as if we have solved the security problem, but we still don't have the people there that can solve it.

I feel good about these people, but they are not police officers and they are not trained as such. If they are going to be there, I think it is necessary they be supervised by people trained as police officers who they can call upon them when they need them. I would be supportive of a requirement that they have to be supervised by people who have all the training that police officers are required to have. I don't think we are going to accomplish what we are talking about without doing that.

Chairman MARTINEZ. Mr. Ingber.

Mr. INGBER. I think that gets back to the question of whether we are trying to create a supplement to a law enforcement institution or not, and I did not interpret the bill to promote that. I think what the bill does is create minimum standards for private security, but not to turn that private security into a quasi military, paramilitary or law enforcement institution. And I think we should keep the two institutions separate. They have two separate functions.

By having supervision by a police officer, what you are promoting is that law enforcement effort, and I don't think the public is ready to look at private security as law enforcement. I think there are many other requirements that law enforcement must meet and many other duties and responsibilities of law enforcement that fall far beyond what is expected of private security.

Mr. BAESLER. That might be the case. However, we are giving people the impression in the malls or wherever that they can expect to be protected. We cannot give the impression and not be prepared to do it.

I have supervised hundreds of police officers in my lifetime. We always have this conflict of whether they are trained or not trained, but the biggest problem we have is giving the public the perception that the person with that badge, with that gun, is a police officer. And 50 percent of the people going to the mall don't

know the difference. So if we are going to rationalize it based on this idea, then we better be able to stand behind it based on this idea.

I won't subscribe to the technical difference why we don't want to make them police officers, but we will tell everybody that is what they act like, this is what we are doing when we say we need this.

Chairman MARTINEZ. Mr. Baesler, Mr. Everett would like to respond, but before you do, Mr. Everett, let me try to put it in perspective.

This bill has two particular components. One is to allow the people that hire security guards access to the information they need as far as background searches or studies are concerned. The reason being that we don't want people hired in the security industry, regardless of what their capacity is, if they have criminal tendencies, criminal records or are the kind of people that really are not suited to that and should not be hired in that employment.

The other is to require minimum standards. I agree with you totally that 8 hours of training may be insufficient, except for someone who is going to night patrol and turning a key in a clock as a check-in point or minimal duties like that. But the idea is that the Federal Government should not set the standards for the States because all States are different. It should require the States to develop their own minimum standards, given some guidance.

Let me give you an example. In the State of Florida, at one of the guard companies, Wackenhut, they have a series of training schedules for different kinds of security guards, and they range from the minimum training to the maximum training, the maximum training being for those instances where the guards do carry guns and are required to patrol areas that could have a potentially dangerous situation arise.

I realize in putting forth this legislation, that requiring too much in the form of a Federal Government mandate might interfere with States' rights to regulate themselves, and for them to know their own States better and the kinds of requirements they would need for the different levels of security guards. However, some minimum standard should be required. We know that from studying the industry there are different kinds of security guards with different responsibilities, but they should all meet their minimums.

The idea is that we don't want to make the public feel they are secure in those shopping malls when in fact, that might not be the call. In your example, some guards look like they are fully trained police officers when they are not. Patrons look at what they think is a police officer in that shopping mall, in uniform with a badge, and they imagine that the guards are fully qualified like police officers to protect them, and that is not the case.

So if in that instance a State wants to determine that, hey, this particular person in this situation needs additional training. One of the witnesses, I think it was you, Ms. Worth, said this is our new town center. And let me tell you if you go to some of these shopping centers you know full well it is a new town center.

In Springfield, you can go to the Springfield Mall out at Franconia on the freeway, 395, and on any given day or the weekend and you can see a crowd of young people come in there. I mean, it is

packed to capacity, maybe beyond capacity. There are young people coming from social activities to find what excitement is going on and other things. That is a potential powder keg, and people that are in that position in that particular part of the mall should be able to know how to handle a situation that arises when a lot of young people get together and maybe they get a little more exuberant than they should.

I think that you need to have a certain caliber of security guard training there and I think the States will recognize that. This law simply provides minimum standards to give States at least the guideline to go by and then from there they can develop what they need themselves.

Mr. BAESLER. Mr. Chairman, if I might. I think when we opt to go into a minimum standard, we take some responsibility for that standard, and we have opted to go in with an 8-hour training. And whether we want to or not, we have opted to, from the Federal Government's level, to say this is a minimum requirement, so we cannot beg off on the States any more. Because if something starts happening in the malls, it is part of our responsibility too.

My problem with the discussion here today, from Ms. Worth and everybody else, has been talking about the danger in malls. My whole issue has nothing to do with that, other than the fact that sometimes the perception you give is important, and we are giving this perception by this legislation that we are interested. You have put a pretty good hook here when you are talking about juvenile justice money.

When we pass this, all we can tell people is that when they look at the private security guard that person will have 8 hours more training than the person there today. That bothers me. While I support the the concept, I am afraid of how we are selling it.

Mr. EVERETT. I agree with both positions. Both in our written testimony and before, when I testified, I suggested tripling the 8 to 24 hours would be a first good step in the bill.

I know I submitted information from Emory University Hospital in Atlanta. They have a basic program of 168 hours before a security guard starts work there. That is an awful high bar to start with, but it is something I think the legislation should think about maybe in years hence in terms of amendments.

But there is an important point I want to address with you, sir, and that is, if you go out to Springfield or Tyson's Corner and you lined up 100 shoppers, they already have a false sense of security, they already think the guards are there to protect them. So this would not be lulling them into a false sense of security they don't already have. So I would agree with the Chairman in that regard.

Mr. BAESLER. But they already have that, and we are saying we are going to help it, but we are not.

Mr. EVERETT. I think the legislation would push the companies a little bit to enhance training in that regard.

Mr. BAESLER. I understand.

Chairman MARTINEZ. I think, Mr. Baesler, I would not look at an amendment to increase the number of hours as an unfriendly amendment, if someone were to suggest we put that in there at least as the minimum requirement. If someone were to come on the floor and in committee and want to amend that to extend the

hours, I would tell you now I would look at that as a friendly amendment.

Mr. BAESLER. Maybe we will do that, Mr. Chairman, since that is okay with you.

Chairman MARTINEZ. Any further questions?

Mr. BAESLER. No, I am through. Thank you. I have to go but I will be back.

Chairman MARTINEZ. Mr. Scott.

Mr. SCOTT. Mr. Chairman, I want to express my appreciation to the witnesses. They have certainly testified to the need for the bill. I would like to slightly disagree with my colleague, Mr. Baesler, because when we were considering the legislation, the deficit reduction legislation, we heard a number of times that we ought not let good be the enemy of the best.

This is certainly a major step in the right direction and we ought not, and as I think has already been indicated, whatever we do people are not going to know what the regulations are. If we improve them, make it 8 hours or make it 108 hours, people will not know the difference one way or the other.

The fact is we don't have any regulations or any control right now and this would be a step in the right direction. Perhaps as we go along we can improve it, but I certainly think that we ought to go forward and be proud of this minor step in the right direction.

Getting the legislation like this on the books many times is very difficult because of the different interests involved in taking a small step just to get it on the books, so you will have something to improve I think is the right way to go.

I would like to just ask a couple of questions. Mr. Everett, you mentioned in one case the other mall was able to spot the culprits. What information did they have and how did they use it?

Mr. EVERETT. That is an interesting question, sir. They had no information. They had no indication that the gang was going to that mall.

What happened was, I interviewed some of the criminals after the fact and said what would have dissuaded you from committing the crime at this mall? They said, for example, we had gone to the other mall—it was Fair Oaks Mall—we had gone to Fair Oaks and we were interested in trying to rob someone there but a security guard, an alert guard, spotted us, we were scared and we left.

So that, to me, was so important because it underscores what Mr. Brill says. The good security guards work, an alert guard works. They do deter crime. Here was a gang bent on robbing someone and they elected not to do it at Fair Oaks because that security guard spotted them.

Mr. SCOTT. Did I understand you to say the Capitol Police were not subjected to a criminal background check?

Mr. EVERETT. Not in the least. I was suggesting Members of Congress might feel uncomfortable were they not, and yet people, and that was exactly my point, people in malls and office buildings guarded by guards who do not undergo any kind of background check do face that unfortunate situation.

Mr. SCOTT. All right. Just checking there.

Mr. Ingber, you handle a lot of cases along these lines?

Mr. INGBER. Yes, I do.

Mr. SCOTT. What kind of verdicts do you get and what kind of success do you have in bringing these cases?

Mr. INGBER. Well, I have a slightly different perspective. I handle them primarily for the defense, representing guard companies, and we also handle a lot of matters in a proactive way to try to reduce these things and prevent them from happening.

The cases, as I have studied the law and verdicts throughout the country are all over the board, from total acquittals to findings of guilt, liability and significant damages.

Mr. SCOTT. Any punitive damages?

Mr. INGBER. There have been punitive damages for these types of cases, yes.

Mr. SCOTT. What are the bases for the punitive damages?

Mr. INGBER. Just a total gross neglect of the security issue.

Mr. SCOTT. And after the punitive damages have been assessed, have those areas been improved?

Mr. INGBER. I cannot speak from personal experience, because I have not been involved in such a case, thank goodness, but I would assume so recognizing that the majority of States prohibit insurance indemnity for punitive damage awards, so it hits right in the pocketbook and I am sure there is a response.

Mr. SCOTT. Thank you. Thank you, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Scott.

I want to thank the panel very much for their testimony—oh, I am sorry, Mr. Barcelo.

Mr. ROMERO-BARCELO. Mr. Chairman, thank you very much. I am sorry I was late. We had other meetings this morning.

First of all, I would like to congratulate you, Mr. Chairman, on this bill. It so happens my son has a 7-11 franchise in Puerto Rico, so I am quite aware of these problems and I think it is very much needed.

I would first like to say, Mr. Chairman, that I would not like to be left out in the bill because the definition of a State just includes the States and the District of Columbia. I don't know about the other territories but certainly Puerto Rico would like to be included. If we are not included, we would then not qualify for the funds that are available.

Chairman MARTINEZ. If you were overlooked, it was an oversight and we will be sure to include you in there.

Mr. ROMERO-BARCELO. I appreciate that.

I also would like to ask Mr. Ingber a question. How would this affect the liability? Having this law in effect, how would that affect the liability of the employers or the stores?

Mr. INGBER. I don't think it would directly impact liability. By meeting these standards—cases throughout the country have shown by meeting a statutory standard you have not exculpated yourself from liability. I think what will happen, in fact, by giving the employers these additional tools, primarily the background check, the access to the NCIC records, you will reduce the instances where someone who should not be hired is, and then ends up involved in a serious incident.

So I see the liability reducing indirectly by being able to hire more or screen out less qualified candidates.

Mr. ROMERO-BARCELO. The courts might use the standards set by the law as if an employer follows those standards that they did everything they were reasonably expected to do?

Mr. INGBER. I don't think the courts have done that when viewing States' standards. However, where a company, an employer, fails to meet the Federal standard, I think the liability will be very clear.

Ms. WORTH. If I can add.

Mr. ROMERO-BARCELO. Of course.

Ms. WORTH. That is a serious problem now. It certainly was in my case. There was very little standard for liability for criminal incidents on a property. Other types of accidents might be covered under liability law, but criminal incidents are still, at least, and again I am not a legal expert, but they are viewed as random so they are viewed as things more difficult to protect someone from.

In my case, in the State of Virginia, there was a legal precedent that made it virtually impossible for me to succeed in suing the mall for negligence in security. This might at least provide a standard that not only would cause them to take security more seriously in general, as they budget and as they look at their priorities, but also might give me a baseline for proving neglect, and I am really stepping into the breach here, but at least it would give me some information by which I could value whether or not they are doing their job.

Mr. ROMERO-BARCELO. Thank you. Mr. Chairman, I have no further questions than this, but when will the amendment be taken care of on that?

Chairman MARTINEZ. I will allow my trusty staff director to take care of that.

Mr. ROMERO-BARCELO. I will be calling you.

Chairman MARTINEZ. I want to thank the panel for its excellent testimony.

Just one thing before I excuse you and call the next panel. One of the things you brought up, Ms. Worth, I don't know if we have covered that in the bill because I don't know that it would be covered in an FBI background information, and that is rejected police officers who then go on to security.

The reason that caught my attention is I know several police officers who have been rejected either from the LAPD or other police departments who have then gone on to do security jobs and some of them, a couple of them, have even gone on to have security businesses where they hire other people. So that is something we need to look at, so I thank you for that bit of information.

I want to thank you again and you are excused and we will call the next panel.

Mr. BRILL. Thank you, Mr. Chairman.

Mr. EVERETT. Thank you.

Chairman MARTINEZ. Our next panel consists of Mr. Thomas Keating—no relation to the infamous Charles Keating—Chairman and CEO of the American Protective Services from Oakland, California; and Mr. Hugh Sawyer, President of Wells Fargo Armored Service Corporation from Atlanta, Georgia; and Mr. Eugene R.

Fink, Chairman and CEO of the Winfield Security Corporation, New York, New York.

We will begin you, Mr. Keating.

STATEMENTS OF THOMAS KEATING, CHAIRMAN AND CEO, AMERICAN PROTECTIVE SERVICES, OAKLAND, CALIFORNIA; HUGH SAWYER, PRESIDENT, WELLS FARGO ARMORED SERVICE CORPORATION, ATLANTA, GEORGIA; AND EUGENE R. FINK, CHAIRMAN AND CEO, WINFIELD SECURITY CORPORATION, NEW YORK, NEW YORK

Mr. KEATING. Thank you, Mr. Chairman, members of the committee.

As you pointed out, coming from California, and also having interests in Arizona, I have learned, of necessity, to introduce myself as Thomas Keating, not related.

I am here today both as the current Chairman of the Committee of National Securities, CONSCO, and as the Chairman of American Protective Services, both CONSCO and APS strongly support H.R. 1534, the Private Security Officer's Quality Assurance Act of 1993.

APS, founded in 1945, is headquartered in Oakland, California. Over the years, we have grown to become the fifth largest contract security provider in the Nation operating in 22 States with 13,000 employees and annual revenues of approximately \$250 million.

CONSCO is a trade association whose membership includes APS and another 19 of the Nation's larger contract security officer providers. Collectively, we employ approximately a quarter of a million people.

CONSCO's members are committed to enhancing the professionalism of the private security industry. Since CONSCO was founded in 1972, we have worked with State legislatures and State regulatory authorities to encourage the adoption of laws and administrative procedures that would help our industry to serve the needs of our employees, our customers and the public. H.R. 1534 offers the opportunity to establish a national standard for an industry where standardization is currently lacking.

Although some States do have regulatory programs in place, no two States have the same requirements. Many of those programs are extraordinarily weak and 20 percent of the States have no State regulation at all. H.R. 1534 addresses this obvious problem with practical and uncomplicated solutions.

One of the most important aspects of H.R. 1534 is that it would apply to all private security officers whether they work for a contract security company or an employer who uses proprietary or in-house personnel. In the vast majority of States that regulate private security, requirements apply only to contractors. This means there are no governmental controls for in-house security officers who account for roughly one-third of the industry.

The general public cannot reasonably be expected to appreciate differences between contract and proprietary security officers. When the public encounters a uniformed private security officer, it should be able to rely on certain assumptions about the qualifications and training of that individual.

H.R. 1534 would help to validate those assumptions. The cornerstone of any regulatory programming for our industry are screening and training standards. Screening is critical because our personnel are placed in positions of authority and trust. As employers, we check applicants' backgrounds to assure ourselves that the people we hire are trustworthy and responsible. One of the most important of those checks is an applicant's criminal history record.

H.R. 1534 would authorize private security employers to request on a self-funded basis FBI criminal record checks of potential employees through a centralized and approved clearinghouse much as the American Bankers Association has for years served the banking industry. Many States do not presently require criminal history checks beyond that State's own data files.

With or without Federal criminal records checks, the current system of processing employer's requests through various State agencies can take up to 18 months, expediting this process would solve a critical flaw.

H.R. 1534 mandates that States adopt or exceed minimum training standards for armed and unarmed security officers. The content of appropriate training for individual security guards is largely determined by the nature of the post to which that officer is assigned. While many posts require site-specific training greatly in excess of the minimum standards prescribed in H.R. 1534, certain basic knowledge about the role and functions of private security officers is universal.

This bill establishes threshold training and continuing education standards that we believe are attainable and realistic. Most importantly, these minimum training standards would become nationwide, if you will, filling the public's presumption all uniformed security personnel possess a basic core of knowledge.

Congressman Martinez has also addressed the high-handed employer practice of extracting noncompete employment agreements from uniformed personnel. The inequality of respecting bargaining positions between employers and their applicants is obvious. Simply put, noncompete clauses that unfairly restrict the livelihood of uniformed employees would be void and unenforceable. The real purpose of such clauses is to hold customers hostage and to deter changes to other vendors; something that otherwise occurs with some regularity.

Finally, it is important to note the nature of private security work often requires an emergency response. H.R. 1534 would permit employers to transfer duly authorized private security officers from their home State into a host State for up to 90 days. Such reciprocal recognition of another State's permit is subject to all additional requirements of the host State.

We anticipate that a transferring employer would be required to notify the host State in advance. Temporary interstate recognition of sister State requirements would substantially enhance security providers' ability to respond to emergencies and serve the public welfare as was demanded in the aftermath of Hurricane Andrew.

As funding for public law enforcement continues to shrink, the private sector will continue to turn increasingly to private security to help protect people and assets on private premises. The private security officer's uniform conveys to the public an image that im-

plies knowledge and authority. Until now, however, there have been no nationally recognized basic standards for private security officers. This void leaves the public vulnerable to potentially ill-founded assumptions about private security officer competency.

The need for Congressman Martinez's proposal is clear and immediate. We urge members of this subcommittee to support H.R. 1534 and to report it to the full Committee on Education and Labor without delay.

Thank you, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Keating.

[The prepared statement of Mr. Keating follows:]

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TESTIMONY OF THOMAS W. KEATING
BEFORE THE SUBCOMMITTEE ON HUMAN RESOURCES OF THE
HOUSE COMMITTEE ON EDUCATION AND LABOR

JUNE 15, 1993

My name is Thomas W. Keating. I am here today both as the current Chairman of the Committee of National Security Companies, Inc. (CONSCO), and as the Chairman of American Protective Services, Inc. (APS), the fifth largest contract security officer company in the nation and a CONSCO member. Both CONSCO and APS strongly support HR 1534, the "Private Security Officer's Quality Assurance Act of 1993."

My company, APS, is headquartered in Oakland, California. APS was founded in 1945. In our early days, we operated exclusively in the Bay Area, and we employed fewer than 100 private security officers. I began working for the company in 1962 and stood post at several of our accounts on the waterfront before I moved into management. After serving as President and Chief Executive Officer, I assumed my present status as Chairman a few months ago. In APS's 28 years, we have grown to a national company with operations in 20 states. We have 13,000 employees and revenues of approximately \$250 million annually.

The organization that I currently chair, CONSCO, recently celebrated its twentieth anniversary. APS has been a member for the last eleven years, and I have been actively involved with CONSCO throughout that period. Today, CONSCO's membership includes twenty of the nation's largest contract security officer companies, providing employment to approximately a quarter of a million employees.

CONSCO's members are committed to enhancing the professionalism of the private security industry. Historically, we have sought to accomplish that objective by working with state legislatures and state regulatory authorities to promote the adoption of laws and administrative rules and procedures that would better enable us to serve the needs of our employees, our clients and the general public. More recently, we have recognized the need for action outside the legislative arena, as well, and we have, for example, adopted a suggested code of ethics for private security officers and a suggested code of standards for private security companies.

Our original focus on state legislation affecting our industry has been expanded over the years to include federal legislation and

other forces that impact our companies and our employees. It is significant to CONSCO that the bill about which I am here to testify today, HR 1534, embraces so many of the objectives to which our organization is dedicated: the establishment of realistic basic screening and training standards for all private security officers, administered by state agencies.

We believe that state legislators are probably best positioned to determine where regulatory authority is most appropriately vested in their own respective state government structure, and that retaining the regulatory function at the state level maximizes efficiency and effectiveness. Congressman Martinez's bill wisely continues to place the responsibility for regulatory administration and enforcement at the state level.

There is, however, a clear need for a uniform baseline that all private security officers must meet, regardless of the position to which they may be assigned or the state in which they work. The Martinez bill directs the states' setting of that threshold of knowledge and screening that all security officers should satisfy.

The Private Security Industry--Historical Facts and Characteristics

One of the paradoxes of this industry is that except in extraordinary circumstances or emergencies, a private security officer's performance is often unnoticed when the officer's duties are being fulfilled most effectively. Because we so frequently fade into the background, many people are unfamiliar, or even unaware, of some of the basic facts about our industry.

The private security industry is one of our nation's oldest service industries, dating from the 1850's. Over our 140 years, the role of private security officers has evolved to include an enormous range of functions, and the sophistication and specialization of private security officers has grown commensurately with the expanding spectrum of clients that we serve. Our personnel are also as diverse as the American populace, from all types of backgrounds, presenting a microcosm of the American melting pot.

Contrary to a common misperception, the vast majority of private security officers are not armed today; among the CONSCO membership, we estimate that approximately 95% of our 250,000 security officers do not carry weapons. At APS, our armed percentage is even smaller--approximately 1%--except at our nuclear accounts, where our security officers are required by Department of Energy or Nuclear Regulatory Commission requirements to carry firearms (and meet other highly refined qualifications).

Another fundamental aspect of the private security industry is the distinction between contract security--of which all the CONSCO companies are examples--and proprietary or "inhouse" security. As

a practical matter, the duties of private security officers are largely site-specific, so that the functions at a particular post tend to be the same, whether staffed by a contract security officer or a proprietary security officer.

It is important to note that the vast majority of states presently have no requirements or standards for proprietary security officers, even though some 75% have set requirements for contract security. Thus, while some proprietary security forces are hired according to rigorous company standards and undergo extensive training programs, there are generally no governmental standards for proprietary security officers' qualifications.

Whether proprietary or contract, staffing a private security force is a cost-sensitive decision. Our product is people who provide service, and the competitive edge is based on providing better screened, better trained and better supervised personnel who can serve the needs of the client more efficiently than another company or the client himself or herself can. The razor-thin margins that are the rule in security services make this a highly competitive business.

With relatively little capitalization required to start a private security business, new companies appear constantly, most of which operate on a very limited basis. Many of these young companies disappear as quickly as they lose a major client. This means that the industry is extremely fragmented, with roughly 10,000 to 12,000 companies estimated to be offering private security services. In such an environment, without effective state regulation, the need for the buyer to beware is exceptionally important; even when such requirements do exist, the temptation to improve margins by cutting corners is very real unless the law is actively enforced.

The consequences of such shortcuts can be devastating. Imagine a security officer who was never trained in emergency responses, suddenly faced with having to prioritize appropriate actions after an explosion or toxic leak. Or consider the horror of discovering that a security officer assigned to a residential complex had recent prior convictions for burglary and for aggravated assault, as neighbors listed on the application would have told the employer if they had been asked.

Most companies honestly try to provide the best security personnel they can, but the truth is that some companies, whether through ignorance, indifference, irresponsibility or inadequate resources, do not meet the standards that we believe the public should be entitled to take for granted. It is frequently these corner-cutters that are responsible for the incidents that give the entire private security industry an occasional black eye, contributing to a public perception that private security officers are poorly trained, bottom-of-the-barrel types whose

trustworthiness is highly suspect. In fact, most of the million-plus private security officers in America today are diligent, honest and conscientious workers whose status and effectiveness are diminished by the malfeasance of a comparatively few individuals who are the rare exception but who taint the whole group.

The Public Deserves Basic Standards

As noted previously, private security is generally a low-profile service. When we do our job well, the public tends not to pay attention to our employees. When a security officer is needed, however, the public should be able to rely on the expectation that a person wearing a security officer's uniform has met certain standards.

The current status of the laws in various states gives no such assurance. Nineteen states have no statutory training requirements at all for private security officers, and eleven states have no legislation imposing any standards for private security officers or for their employers. Among the 31 states that have set training requirements, there is enormous diversity, from no training specifications for unarmed security officers to a program that requires months for completion.

The personal qualifications for private security officers are equally lacking in consistency. In some states, the law is that the employer is responsible for the individuals hired and for their good conduct, while others require certification of reference checks and criminal records checks through both the state and FBI to be sure that the applicant has no felony or other convictions that would make him or her unsuitable for licensing or registration as a security officer. Most, however, do not require federal criminal records checks for unarmed security officers, but do check within that state.

With no two states having the same requirements for private security officers and companies, there is a clear and immediate need for the federally-mandated minimum standards that the Martinez bill proposes. As private security continues to grow, and with anticipated expansion of 8% annually through the remainder of the 1990's, the importance of establishing a baseline of qualifications for those who provide private security services will not go away.

HR 1534 Addresses Key Aspects of Private Security

Among the most important elements in Congressman Martinez's proposal is the establishment of basic standards for private security officers, without regard to whether they are employed by a contract security firm or a proprietary organization. This distinction is the basis for a gaping hole in most states' current laws, which most frequently apply only to contract security. Uniformed private security personnel should be expected to have met

certain qualifications and to have successfully completed training that covers fundamental subjects vital to a proper understanding of the role of private security officers. We are aware of no legitimate reason to set different standards for contract officers and their proprietary counterparts. From the public's perspective, there should be no distinction.

It is also critical to note that the criteria mandated by the Private Security Officer's Quality Assurance Act of 1993 are minimum standards, and that each state is free to impose more stringent requirements for private security officers within its jurisdiction. For purposes of qualifying for funds under the Juvenile Justice Act, any state whose laws meet or exceed these standards will be deemed to be in compliance and eligible for funding. Thus, a state that mandates 20 hours of pre-assignment training for all security officers, for example, would more than satisfy the bill's standard for training; HR 1534 would not place the federal government in the position of second-guessing a state government as to what additional standards may be appropriate for that state's citizens, so long as the minimum requirements are met.

Screening Standards

A central feature of HR 1534 relates to appropriate screening standards for candidates. Before a security officer assumes his or her duties on an assigned post, the employer would be responsible for making sure that the applicant has completed an application for whatever registration or licensing procedure the state prescribes, with the information therein preliminarily checked by the employer. The employer would also be responsible for making sure that criminal records checks through state and federal data banks are requested.

Each prospective employee's application must contain employment history, military service record, personal references, and information about any criminal history. As a prerequisite to allowing the applicant to assume temporary, unarmed duties on post, the employer must certify to the state regulatory authority that the employer has verified the applicant's personal references, along with employment history for the most recent five-year period. No permanent assignments may be made until the applicant's criminal records checks through the National Crime Information Center and the fingerprint records of the Federal Bureau of Investigation have been completed and the applicant cleared.

Probably the single most important provision in HR 1534 is that this bill authorizes private security employers to obtain this criminal history information, as is already permitted for the banking industry. Although the bill itself does not specify the logistics of how this access would be provided, we understand that it would probably be arranged similarly to the procedures established for the American Banking Association. Individual banks

do not submit their applicants' or employees' fingerprints directly to the FBI for verification, and we do not anticipate that private security employers would be allowed to do so, either. Rather, a central clearing house has been established through the American Banking Association, to which banks submit their fingerprint cards, which are then forwarded directly to the FBI for processing and returned to the banks. Similarly, we would expect such third party clearing facilities to be created to receive private security applicants' fingerprint cards from their employers and to submit them to the FBI.

Under current law, our industry has experienced incredible delays in obtaining this critical information about our applicants, attributable primarily to the number of hands through which the applicants' forms must sometimes pass, from state regulators to the state criminal records agency and then to the FBI, and to the low priority generally assigned to processing these fingerprint cards through the FBI's system. Even worse, many states do not require FBI checks, but only specify a check of state criminal records, so that an applicant with convictions in a different state but whose application raised no questions to prompt inquiries in the convicting state would probably be state-authorized and licensed for private security employment.

The nature of private security work, where our employees are entrusted with responsibility for the security of people and property on our clients' premises, demands a more thorough, more timely and more responsive means to check for any criminal history our applicants may conceal from us. Without this express statutory authorization, the old systems will continue to miss too many persons who misrepresent their background and who have no business being placed in private security positions, yet whose misrepresentations are sufficiently disguised that a diligent employer would likely be both unmotivated and unable to check beyond the information presented.

Training Requirements

As has been mentioned, the lack of any consistency in the training prescribed for private security officers from one state to the next makes it virtually impossible under current law to gauge the amount of basic security knowledge that a uniformed security officer may have, or what topics that training may have addressed, short of knowing the specific laws of the authorizing state (if any).

CONSCO believes that the curriculum prescribed in HR 1534 represents appropriate basic training for all unarmed private security officers, and that requiring a written examination on specified related topics is an important supplemental control. The requirement of an additional 15 hours of weapons instruction and range qualification for armed security officers also seems to us a

realistic and reasonable minimum for those officers. Eight hours' classroom instruction on the legal authority of private security officers, safety and fire detection and reporting, notification of public authorities, observation and reporting techniques, patrolling fundamentals, and deportment and ethics covers information relevant to virtually any private security assignment, and may be adequate for some unarmed posts, particularly with the additional four hours of on-the-job training mandated in Section 7.

The sites to which private security officers may be assigned vary immensely, and we want to underscore that we consider the training standards set forth by Congressman Martinez in HR 1534 as a foundation. The content and the extent of the specific training for particular posts reflects a number of variables: the geographic location, the number and types of activities taking place there, the accessibility of the site to unauthorized traffic, raw materials and finished products that may be found there, portability of tools and equipment found at the site, the sophistication of access and perimeter control systems, vulnerability to and probability of vandalism, and the philosophical attitude of the site's managers.

With so many factors to consider in determining what constitutes "appropriate" training for a particular site, mandating more than minimum, "common denominator" training on general topics becomes a matter of inefficiency, or even of confusion. As an example, a security officer assigned to work at a stadium during football season or for a political rally may need extensive training on crowd control and dynamics, yet may have no need for training on electronic access control systems. Security officers at a manufacturing and research facility with sensitive environmental controls may not need to know about crowd control, but may need extensive instruction on patrolling to monitor air quality testing devices and on the operation of complex access control panels. The training appropriate for urban hospital security personnel often might encompass elements of crowd control and avoiding confrontation with emotionally distraught persons, as well as access control and, perhaps, extra emphasis on the appropriate use of force by private security. Rather than trying to prescribe an extensive training program that would have some relevance for some security posts but would have no practical applicability for others, we agree with the minimalist approach on mandatory training topics taken in HR 1534.

This is not to say that CONSCO would favor a lesser standard for training than that proposed in HR 1534. We firmly believe, and have advocated for years, that basic training on fundamental principles is important and should be required for all private security officers. We also support the requirement that comprehension of the classroom training should be tested with a written examination, as this bill also prescribes.

CONSCO applauds the inclusion of annual refresher training, with a minimum of four hours for unarmed officers and additional refresher training and range qualification for armed officers. Again, specific sites and specific clients may require annual training far in excess of the statutory minima set forth in HR 1534, but a minimum standard should be assured in all states for all private security officers.

Other Features of HR 1534

The core issues of any regulatory statute are the standards that they set. For the private security industry, those issues are screening and training of individual security officers, which this bill covers well. Even so, without certain structural provisions, those standards can be hollow promises. We commend Congressman Martinez for including guidance for the states with regard to other aspects of regulation, as well.

Cost of regulation

One of the remarkable features of HR 1534 is that its net cost to the federal and state governments is negligible. At the federal level, the Attorney General is directed to establish rules for disclosure of criminal history records from the FBI upon the request of employers, as described above in connection with the screening provisions. Those rules will include a requirement that requesting employers pay the actual costs of providing the requested information, making such procedures revenue-neutral. Thus, apart from the promulgation of rules, there should be no cost to the federal government to implement this proposal.

The same self-funding provisions apply to state regulation. Section 8 (b) of the bill prohibits states from imposing a registration permit issuance fee in excess of the prorated direct costs of administering such permits. Thus, while the expenses of administering a regulatory program would be reimbursed to the regulatory agency through the program itself, there is protection for the individual security officers, as well, so that their fees do not become a revenue-generator for the general fund of a state. With so many states facing budgetary shortfalls at this time, this reasonable limitation on the price that can be charged to private security employees, whose services already are helping reduce the demands on dwindling public law enforcement resources, is particularly important.

We view this approach as an imminently sound solution to one of the basic considerations in any proposed governmental program, its funding. Having the costs borne by those regulated, yet stipulating that the price be directly tied to actual operational expenses, offers a fiscally responsible prescription that we applaud.

Employment Contracts with Private Security Officers

HR 1534 would ban a high-handed employment practice that has developed among some competitors in this industry. State law would be required to invalidate and render unenforceable any contractual or other restriction imposed by an employer with regard to a security officer's seeking employment following termination of the employer-employee relationship. In practical terms, this means that each state would be obligated to enact legislation voiding noncompete clauses or other restrictions on future employment that some private security employers extract from their uniformed employees.

The proprietary information a uniformed employee may accumulate during the course of his/her employment is overwhelmingly customer-specific and not employer-specific. There is no justification to bind a uniformed employee's future livelihood on the basis of such accumulated information which the customer has already paid for in their billing rate.

Speaking for my company and for the overwhelming majority of CONSCO's members, a private security officer should be free to seek employment without the limitations sometimes imposed by employment agreements. Our prospective employees frequently lack the sophistication to appreciate the meaning and unfairness of such employment conditions, and are ill-equipped to negotiate such conditions on jobs they need. Although many state courts have refused to uphold these clauses, others have recognized them.

As a practical matter, these clauses have been used by some contract security companies as a disincentive to their clients who may want to change security service vendors, a phenomenon that otherwise occurs with some regularity. When the client's dissatisfaction is not with the uniformed personnel, but with their supervision and management, or even with the price of the service, clients sometimes ask that the replacing security company hire the security officers assigned to the site by the predecessor company.

Retaining such security officers' services at the site can prove highly efficient for the client, and often coincides with the security officers' personal needs and convenience. When bound by noncompetition clauses, however, the security officers may find that they must leave the account when the contract with their employer is terminated.

Unless that employer has other openings to which the officers can be transferred, which may not be at the same pay rate or in the same geographic area or even on the same shift as they worked at their terminated account, the noncompete clause may well force those private security officers to leave their profession, thereby wasting their state qualification and fees, their experience and their training. Such "scorched earth" practices by employers hurt

their employees, their customers, and this industry as a whole.

To the extent that the purpose of these clauses is to discourage clients of security companies from switching to a competitor's service, this matter lies between the security service vendor and its customer. Jeopardizing the employment and income of individual private security officers to increase a security company's leverage in retaining the customer's business is simply unfair and unconscionable. Companies that want to restrict their clients' ability to terminate their services can negotiate other disincentives without endangering their security officers' livelihoods.

The vast majority of my CONSCO counterparts and I believe that the inequality of the respective bargaining positions of private security employers and their job applicants, particularly in periods of tight job markets, should be acknowledged, and this specific employer option eliminated. The private security officers that our industry employs deserve this protection in recognition of the dedication and professionalism with which they routinely perform their duties.

Interstate Reciprocity

The nature of private security work means that there are often situations that call for emergency responses. Natural disasters, such as the State of Florida experienced last year with Hurricane Andrew, often require extraordinary measures to meet the needs of our clients and of the citizenry. Regulators in Florida quickly recognized that the private security officers already licensed in their state simply could not meet all the demands for security that arose in the storm's aftermath, and the state issued emergency procedures to allow private security officers duly authorized to perform such services in other states to be transferred by their employers into Florida temporarily to help meet the security needs of the storm's victims.

Congressman Martinez has commendably included a provision that allows employers to transfer private security officers who are duly authorized to perform security duties in one state, into another state for up to 90 days, notwithstanding that the individual lacks a registration permit from the state to which he or she is transferred. As we read HR 1534, such reciprocal recognition of one state's permit, under Section 5(3), is subject to any additional requirements that the receiving state may impose in accordance with Section 14. We fully anticipate, for example, that a transferring employer would be required by state law or regulation to notify the host state's regulatory authorities in advance.

A host state may normally require more extensive training of private security officers than does the state of origin, but the

host state can recognize and accept training conducted in the original state. The host state might require supplemental training to bring the training level nearer or equal to the host state's standards, especially if the transferee remains beyond a certain brief period.

Similarly, if the officer is authorized to carry a type of weapon in the state of origin that is not permitted to private security officers in the host state, the host state could require that the armed officer carry only the type(s) of weapon authorized there and demonstrate proficiency with that weapon before being allowed to perform armed security services in the host state. If the visiting private security officer's stay in the host state extends beyond 90 days, a valid permit issued by the host state would be required, of course; for briefer periods, however, reciprocal recognition of generally equivalent qualifications already documented by a sister state's regulatory authority is an important facet of a more uniform approach to assuring private security officer quality standards throughout the country.

Conclusion

Funding for public law enforcement agencies continues to shrink as a percentage of federal, state and local budgets. There is little doubt that the private sector will continue to turn increasingly to private security to help protect people and assets, to control access, and to enforce rules on private premises. While there are clear and significant distinctions between private security officers and the law enforcement officers whose services private security complements, the uniforms that private security officers wear connote to the public certain knowledge and authority. Until now, however, there have been no nationally recognized basic standards for private security officers, which leaves the public vulnerable to certain assumptions, based on the private security officer's uniformed appearance, that simply are not founded in reality.

HR 1534 offers an opportunity to create a national minimum standard for these security personnel, a threshold level of training and screening checks that would often be surpassed in from state to state and in individual cases, but upon which the public would be able to rely. The requirements proposed in HR 1534 for screening and training are reasonable and attainable. Coupled with the other guidance provided for states as they address the need for uniform basic standards for this industry, the bill is an important statement that this Congress can make to those in the private security industry and those who come into contact with it.

The need for this legislation is clear and immediate. We urge the members of this subcommittee to support this legislation, and to report it to the full Committee on Education and Labor without delay.

Chairman MARTINEZ. Mr. Sawyer.

Mr. SAWYER. Good morning, Mr. Chairman, and members of the subcommittee. My name is Hugh Sawyer. I am President of Wells Fargo Armored Service Corporation. I am here today on behalf of the National Armored Car Association which represents armored carriers operating in each of the 50 States.

Mr. Chairman, Wells Fargo Armored is the Nation's second largest provider of traditional armored transportation services. Our company provides vault storage and secure transportation services using armed guards in carrying currency, coin, securities, and other valuable items for banks and local or national retail customers. For example, Nations Bank, Bank of America, K-Mart, Wal Mart and thousands of local retail establishments utilize our service.

Wells Fargo is also the industry's leading provider of specialized service to approximately 20,000 ATMs throughout the United States. Specially trained technicians provide cash preparation and replenishment, repairs to the equipment, ATM deposit collection, and on-site balancing of ATM funds. Due to the high security risks of these operations, our ATM technicians also carry weapons.

Wells Fargo Armored also provides highly automated cash handling services, including currency storage and preparation, micro encoding of checks, deposit verification and consolidation, coin wrapping and food stamp processing and distribution. Essentially, these are back-room services previously performed by the banking industry.

Wells Fargo Armored has approximately 160 branches throughout the United States and the Commonwealth of Puerto Rico. In fact, in Arecibo, Mayaguez, Ponce and San Juan, we employ 6,000 people, service about 15,000 customers, and utilize a fleet of 1,400 vehicles. Our annual revenues are about \$175 million.

Wells Fargo Armored is a subsidiary of Borg-Warner Security Corporation. Through its other subsidiaries Borg-Warner supplies guard, courier, and alarm services. We believe that Borg-Warner is the largest protective services company in the United States.

Despite the widespread use of credit cards and wire transfers, billions of dollars of currency, coin, securities, and other valuables are transported daily as part of the United States economy.

Virtually every bank, savings and loan, credit union or retail establishment that utilizes coin or currency is serviced by the armored car industry. Grocery stores, restaurants, discount retailers, high-end retailers, and even your local drycleaner and video store received armored service.

The United States Federal Reserve, the Mint, and various local, State or municipal agencies depend upon armored transportation service for the distribution of funds. In simple terms, it is the hidden skeleton of our daily commerce.

Like your own skeleton, our U.S. economy requires the support of this small but important industry which is comprised of a handful of national companies like Wells Fargo Armored and several hundred local, independently owned and operated companies. The National Armored Car Association strongly and urgently endorses the need for H.R. 1534. We would, therefore, request that the ar-

mored car industry be expressly mentioned in the definition section of the bill.

Because our industry transports billions each day and warehouses a nearly equivalent sum each night in our vaults, we are unfortunately a target for both external and internal theft. For example, Wells Fargo alone transports approximately \$4 billion each business day throughout the U.S. and the Commonwealth.

First, let us consider the external threat. The level of violent attacks perpetrated against our industry is significant. Moreover, when these attacks occur there are normally firearms involved and innocent bystanders near the scene of the attack due to the inherent nature of our business. This violence can occur in a mall location, in front of your local hardware store, or in the lobby of your bank. According to FBI statistics, in 1987, there were 58 armored car robberies; 33 of the 58 robberies involved the use of firearms. In 1991, there were 91 reported armored car robberies based on FBI statistics and 88 of the 91 robberies involved the use of firearms.

And by the way, we believe these figures are extraordinarily conservative.

Second, our industry is subject to an unusually high rate of internal theft because our personnel are constantly exposed to our cash in transit and the cash stored in our vaults. The industry's wages average from about \$6 to \$9 an hour and these employees have access to packages of money that could contain \$250,000 or a million dollars.

Fortunately, the industry has thousands of dedicated personnel, however, the unique aspect of our business is that one employee can steal one bag of money that could result in a catastrophic financial impact.

The liability for the industry is underwritten by Lloyd's of London, which, as you know, has suffered several years of poor economic results. Our industry is concerned that the high quality insurance that covers this risk will eventually become scarce or cost-prohibitive if the industry cannot properly manage its own level of risk.

In summary, the National Armored Car Association supports H.R. 1534 for these reasons: It establishes minimum standards that we believe will act to improve the quality of personnel throughout the armored industry. It provides for appropriate weapons training which we believe is absolutely essential to insure the safety of the general public where our industry operates.

The bill provides for industry access to the FBI's National Crime Information Center. The U.S. banking industry already has access to this data bank, which is far more extensive than the criminal background information our armored industry can currently capture specifically because the FBI collects arrests and conviction records from all 50 States. This one upgrade might prevent an armored car company from placing a weapon in the hands of a criminal. Eleven States do not require background checks for armed private security officers. It might also prevent an armored car company from hiring a criminal whose sole purpose was to infiltrate our business in order to steal a large sum of money.

This Act will improve the overall quality of personnel in an industry that is completely dependent upon the quality of its human

assets. Improved hiring procedurals, criminal background checks, and minimum training standards will improve the safety of the general public.

Finally, in all likelihood, it will reduce the level of internal security losses experienced by the armored industry. Reduced theft is vitally important if we are to insure the ongoing health of an industry which so clearly supports U.S. commerce.

The National Armored Car Association has also endorsed standards as established in H.R. 1189, the Armored Car Industry Reciprocity Act of 1993, sponsored by Representative Cardiss Collins.

As you might expect, our company is sensitive not only to the security issues of our industry, but also to the moral imperative of our business. Specifically, we put nearly 6,000 people in a life or death situation every business day in the public domain. Therefore, our own standards for preemployment and training are extensive.

During the employment process we conduct criminal background checks and personal interviews. In addition, we conduct a written honesty test and perform preemployment drug tests on every candidate.

We believe our training is among the best in the industry. Each new employee receives several training manuals supported by a video-based instruction. Our weapons training is conducted by qualified professionals and annual requalification is conducted at every location in our system.

We believe that H.R. 1534 is appropriate and is a critically needed piece of legislation. Not only is it important to our industry, it also promotes the safety and welfare of the general public.

At some point, Mr. Chairman, this legislation might be improved by requiring drug testing for all guards who are issued a weapon. The DOT requires drug testing for our drivers. Why wouldn't we require the same standard for those employees issued weapons?

In the States where we operate, we believe this legislation would be embraced by our customers and the procedures could be implemented by the State in a relatively expeditious manner. In fact, our own company would not be required to substantially modify any of its own procedures.

In closing, thank you for this opportunity. We most urgently request your support.

Chairman MARTINEZ. Thank you, Mr. Sawyer.

[The prepared statement of Mr. Sawyer follows:]

Statement of Hugh E. Sawyer

Good morning Mr. Chairman and members of the Committee. My name is Hugh Sawyer. I am President of the Wells Fargo Armored Service Corporation. I am here today representing the National Armored Car Association. The Association represents armored carriers operating in each state in the nation.

COMPANY BACKGROUND

Mr. Chairman, Wells Fargo Armored is the nation's second largest provider of traditional Armored Transportation Services. Our company provides vault storage and secure transportation services using armed guards in carrying currency, coin, securities, and other valuable items for banks and local or national retail customers. For example: NationsBank, Bank of America, Wal Mart, K-Mart, and thousands of local retail establishments utilize our service.

Wells Fargo is also the industry's leading provider of specialized service to approximately 20,000 ATM's throughout the United States. Specially trained technicians provide cash preparation and replenishment, repairs to the equipment and preventative maintenance, ATM deposit collection and verification, and on-site balancing of ATM funds. Due to the high security risk of these operations our technicians carry weapons.

Wells Fargo Armored also provides highly automated cash handling services including currency storage and preparation, micro-encoding of checks, deposit verification and consolidation, coin wrapping and food stamp processing and distribution.

Wells Fargo Armored has approximately 160 branches throughout the United States and the Commonwealth of Puerto Rico. We employ 6,000 people, service about 15,000 customers and utilize a fleet of 1400 vehicles.

Wells Fargo Armored is a subsidiary of Borg-Warner Security Corporation. Through its other subsidiaries Borg-Warner supplies guard, courier, and alarm services. We believe that Borg-Warner is the largest protective services company in the United States.

BACKGROUND - ARMORED CAR INDUSTRY

Despite the widespread use of credit cards and wire transfers, billions of dollars in currency, coin, securities, and other valuables are transported daily as part of the United States economy.

Virtually every Bank, Savings & Loan, Credit Union or retail establishment that utilizes coin or currency is serviced by the armored car industry. Grocery stores, restaurants, discount retailers, high-end retailers, and even your local dry cleaner or video store receive armored service. The United States Federal Reserve, the Mint, and various local, state, or municipal agencies depend upon armored transportation service for the distribution of funds. In simple terms, it is the hidden skeleton of our daily commerce. Like your own "skeleton", our U.S. economy requires the support of this small but important industry which is comprised of a handful of national companies like Wells Fargo Armored and several hundred local independently owned and operated companies.

WHY IS THIS LEGISLATION NEEDED?

The National Armored Car Association strongly and urgently endorses the need for HR 1534.

Because our industry transports billions each day and warehouses a nearly equivalent sum each night in our vaults - we are a target for both external and internal robbery attempts.

First, let's consider the external threat. The level of violent attacks perpetuated against our industry is significant. Moreover, when these attacks occur there are normally weapons involved and innocent bystanders near the scene of the attack due to the inherent nature of our business. This violence can occur in a mall location, in front of your local hardware store, or in the lobby of your bank.

Second, our industry is subject to an unusually high rate of internal theft because our personnel are constantly exposed to our cash in transit and in our vaults. The Industry's wages average from \$6.00 - 9.00/hour and these employees have access to packages of money that might contain \$250,000. Fortunately, the industry has thousand's of dedicated personnel. However, the unique aspect of our business is that one employee can steal one bag of money that could result in a catastrophic financial impact.

The liability for the industry is underwritten by Lloyd's of London which has suffered several years of poor economic results. We are concerned that the high quality insurance that covers this risk will eventually become scarce or cost-prohibitive if the industry cannot properly manage its own level of risk.

In summary, NACA supports HR 1534 for these reasons:

- a) It establishes minimum standards that we believe will act to improve the quality of personnel throughout the industry.
- b) It provides for appropriate weapons training which we believe is absolutely essential to insure the safety of the general public where the industry operates.
- c) The bill provides for industry access to the National Crime Information Center. The U.S. banking industry already has access to this databank which is far more extensive than the criminal background information our industry can currently capture. This one upgrade might prevent an armored car company from placing a weapon in the hands of a criminal. It might also prevent an armored car company from hiring a criminal whose sole purpose was to infiltrate our business in order to steal a large sum of money.
- d) Finally, this act will improve the overall quality of personnel in an industry that is completely dependent upon the quality of its human assets. Improved hiring procedures, criminal background checks, and minimum training standards will improve the safety of the general public and will in all likelihood reduce the level of security losses experienced by the industry. Reduced theft is vitally important if we are to insure the ongoing health of an industry which so clearly supports U.S. Commerce.

The National Armored Car Association has also endorsed standards as established in HR 1189 "the Armored Car Industry Reciprocity Act of 1993" sponsored by Rep. Cardiss Collins.

WELLS FARGO STANDARDS -

As you might expect, our company is sensitive not only to the security issues of our industry but; also, to the moral imperative of our business. Specifically, we put nearly 6,000 people in a life/death situation every business day. Therefore, our own standards for pre-employment and training are extensive.

During the employment process we conduct criminal background checks, and personal interviews. In addition, we conduct a written honesty test and perform pre-employment drug tests on every candidate.

We believe our training is among the best in the industry. Each new employee receives several training manuals supported by video based instruction. Our weapons training is conducted by qualified professionals and annual requalification is conducted at every location in our system.

OUR VIEW OF HR 1534

We believe that HR 1534 is appropriate and is a critically needed piece of legislation. Not only is it important to our industry it also promotes the safety and welfare of the general public. The legislation might be improved by requiring drug testing for all guards who are issued a weapon. In the states where we operate, we believe this legislation would be embraced by our customers and the procedures could be implemented by the state in a relatively expeditious manner.

In fact, our own company would not be required to substantially modify any of its own procedures.

In closing, thank you for this opportunity, we most urgently request your support.

Chairman MARTINEZ. I am going to apologize, Mr. Fink. There is a vote on. We will take a short recess to make that vote and come back and then receive your testimony.

Mr. FINK. Thank you.

[Brief recess.]

Chairman MARTINEZ. All right. When we left, we were just about to go into the testimony of Mr. Fink. Mr. Fink

Mr. FINK. Thank you. Good morning, Mr. Chairman, and members of the committee. My name is Eugene R. Fink and I am the President of Winfield Security Corporation, a New York City based security officer investigation company with offices both in New York and New Jersey. A small company by national standards, we employ approximately 650 officers at over 200 sites.

While many companies are smaller than Winfield, the larger companies may employ as many 10 times the number of employees in our market area. I am intimately familiar with the process of regulating security guards and licensing security guard companies through my involvement in New York State where the legislature last July passed the Security Guard Act of 1992.

The New York Act provides for a security guard advisory council, a 13-member board which will develop regulations for the Act. I was honored by Governor Mario Cuomo by being appointed chair of that council, and we are now immersed in developing those regulations. I am also an officer of the Associated Licensed Detectives of New York, which functions as the legislative eyes, ears and voice for our members, the licensed detectives and security guard companies of New York State.

I applaud the introduction of H.R. 1534, the Security Officers Quality Assurance Act of 1993 introduced by Representative Martinez. The security industry is a significant employer in America today. Where once security officers were limited to certain high-risk situations, security officers now provide an essential service. Consequently, the need to develop minimum standards addresses the issues and concerns of the communities in which those officers serve.

The Security Officers Quality Assurance Act of 1993 will have little effect on businesses in New York State, which are required to comply with the Security Guard Act of 1992. Virtually all the provisions of the Martinez bill, other than the prohibition against non-compete contracts with security officers, are included in the New York State legislation.

H.R. 1534 tackles important issues head on. For example, for many years people have distinguished between proprietary and contract security officers. The latter were thought by many to be at a lower level of skill, knowledge and professionalism than the proprietary officers. Legislation was needed, they thought, and often proposed, to regulate contract officers only. I believe this historical misconception has been appropriately addressed in H.R. 1534.

The public has no way to distinguish between a proprietary officer and a contract officer or if one has been trained and the other has not. It makes perfect sense to require all security officers to have the minimum amount of training so that an unwary public need not distinguish between the two.

The public often mistakenly perceives security officers as quasi police officers. A police officer has powers of arrest and a duty to apprehend; security officers observe, report and deter. It is always important in training and in statutory requirements that we recognize the distinction. Based on my own experience, I would like to discuss some of the provisions in H.R. 1534 which may cause conflict or need clearer definition in order to be implemented successfully at the State level.

The Act requires an employer to register and send with the application for registration verification of past employment. Very often previous employers do not respond or respond improperly weeks after the inquiry. The industry, as I know it, does not permit employers to wait weeks to employ security officers when a security company intends an applicant to be working within a few days after training, uniforming and an immediately verifiable background check. We hire the individual because work is available. If we had to wait weeks to employ an individual, posts would go unfilled on a frequent basis. I do not think that is the intention of the Act. For permanent registration this seems reasonable; for temporary registration it may not.

New York has a system called the Security Guard Registry in which it will maintain a computer file on each registered officer or applicant who is denied. If a security officer is convicted of a crime or arrested for a crime after a registration card has been issued, the State will be notified through the statewide reporting system. Thereafter both the employer and the employee will be notified of the possibility of disqualification from employment.

To my knowledge, New York is the only State in the Union which has such a formal registry requirement. It will speed the process of verification of criminal history, the most critical issue facing the industry today.

H.R. 1534 provides that most enforcement on the State level be accomplished through either fines or the suspension of licenses for existing license holders. It is my experience those who provide the greatest threat with regard to noncompliance are those who are not licensed and those who operate without regard to the licensing or registration procedures. Greater noncompliance will subvert the spirit of the Act. We abhor the possibility the law will encourage greater numbers of unscrupulous companies not to comply with the law.

Overall, I believe H.R. 1534 is a giant step forward in the relentless pursuit of professionalism we constantly seek. Thank you for your efforts to help us to achieve that often elusive goal and for allowing me the opportunity to discuss my observation with you today.

Chairman MARTINEZ. Thank you, Mr. Fink.

[The prepared statement of Mr. Fink follows:]

**TESTIMONY
PRIVATE SECURITY OFFICER'S
QUALITY ASSURANCE ACT
of 1993
(HR1534)**

**Testimony of Eugene R. Fink
before the
Sub-Committee on Human Resources
of the
House Committee of Education and Labor.**

My name is Eugene R. Fink and I am the President of Winfield Security Corporation, a New York City based security guard and investigative company with offices both in New York and New Jersey. Our primary market area is the metropolitan area of New York City.

Winfield Security Corporation by national standards is a small company. We employ approximately 650 security officers at over 200 sites. While there are many companies smaller than Winfield, the larger companies, in some cases employ, as many as ten times the number of employees in the same market area we service.

I founded Winfield 18 years ago in a sub-let office overlooking 42nd Street in New York City with only a telephone and a typewriter. It has been my constant plight to battle larger companies with greater resources and greater ability to market their services. However, we have proved over time to be quite successful in our endeavors and we now enjoy a prominent position in the market area.

I am intimately familiar with process of regulating security guards and licensing security guard companies through my involvement in New York State, where the General Assembly last July passed The Security Guard Act of 1992. I have been active in helping formulate how that law relates to the industry by working closely with the legislators who drafted the legislation over the past 3 years.

My involvement with the legislation and legislators of New York State has offered me a comprehensive knowledge of how the practical aspects balance with the safety and public considerations of security guard licensing and registration. The New York State Act provides for a Security Guard Advisory Council, a 13-member board which is charged with the responsibility for the development of regulations for implementation of the Act. I was honored recently by Governor Mario Cuomo by being appointed Chair of that Advisory Council, and we are now deeply immersed in developing those regulations. At the present time we are focusing specifically on the training aspects of the Act, and will shortly be addressing the more practical

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requirements for the implementation of the registration of guards, background checks and other mandates of the Act.

The Law in New York State requires that regulations be in place by January 1, 1994, the effective date of the legislation, and so with very little time left until that effective date, the Council is working closely and intensely with the Department of State and the Division of Criminal Justice Services (DCJS) in a cooperative effort to develop what we consider to be the most progressive and responsive state law in the country.

I have also been active in The Associated Licensed Detectives of New York, or ALDONYS, which has also been quite active in helping to formulate the legislation I spoke of previously in New York. I am currently serving as the Vice President of Security Guards for that organization, which functions as the legislative eyes, ears and voice for our members, all the licensed detectives and security guard companies of New York State, on issues regarding security guards and licensing in general, and how they relate to the Security Guard Act of 1992.

I applaud the introduction of the HR1534, The Security Officers' Quality Assurance Act of 1993, introduced by Representative Martinez, which is progressive, responsive to the needs of the industry and consistent with the movement taking place, certainly in New York, with regard to the need for minimum standards for security officers.

The security officer industry, as this committee clearly recognizes, has become a significant and highly visible as an industry in each state of this union. We are a significant employer and provider of essential services. Where once security officers were limited to certain high risk situations, and traditional areas of business and industry, such as banking and jewelry, security officers have become an essential service to every part of our communities. From residential housing and high rise office buildings to remote warehouses, security officers proliferate. Consequently, the need to develop minimum standards addresses the issues and concerns of the communities in which these officers serve, so that a certain minimum reliance can be assumed by the public at large when encountering what would otherwise be considered a person in authority.

The Security Officers' Quality Assurance Act of 1993 would, in fact, have little effect on my business, or other businesses in New York State, which are required to comply with The Security Guard Act of 1992. Virtually all of the provisions of the Martinez bill, other than the prohibition against non-compete contracts for security officers, are included in the New York State legislation, and are consistent with my understanding of the requirements for the public safety. If I am correct when I suggest that the New York State Act may be the most progressive in the nation, then in fact the issues addressed in the HR1534 classify it as similarly progressive.

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While it is clear that there are limitations to what and how much training a security officer be subjected, both practical and reasonable considerations need be addressed. The public has a right to expect minimum standards, which include training to familiarize a security officer with his or her role on a particular site. Consequently, the need for legislation to accomplish these goals is clear.

Many companies do not train security officers before assigning them to a post, and some have no interest in continuing, follow-up education and training or site familiarity. In such instances, security officers in uniform whom the public perceives as having certain information and knowledge are in a position of trust without that knowledge.

There is a clear need for legislation which would say that all security officers assigned to a post have had basic instructions in certain specific job related training.

Proprietary vs Contract

HR1534 addresses many issues with a progressive attitude. For example, for many years companies, specifically in New York City, have distinguished between proprietary security officers and contract security officers. Contract security officers were often thought by many to be at a lower level of skill, knowledge and professionalism than proprietary security officers. Legislation was needed they thought, and often proposed, to regulate contract security officers only. I believe this historical misconception has been appropriately addressed in HR1534.

Security officers come in all sizes and shapes and with different qualifications. Some contract security officers are the most qualified security officers in the land, bar none. Certainly those that perform services at the United Nations are eminently qualified. Those that provide security services at nuclear facilities are highly trained and well qualified security officers. By contrast, proprietary security officers, sometimes in small retail stores or residential buildings, are very often untrained and unqualified.

The public has no way of distinguishing between a proprietary officer and a contract officer, or if one has been trained and the other not. Therefore it makes perfect sense to require all security officers, whether proprietary or contract, to have the minimum amount of training, so that an unwary public need not distinguish between who is proprietary and who is contract, a distinction, I might add, that is often difficult, if not impossible to ascertain.

While it is not addressed specifically in the bill, my experience suggests that it is necessary to clearly understand that there are no distinctions between the qualifications required for a license

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holder in a proprietary company versus a contract license holder. Clearly the registration of individual security officers will be the same. Therefore, it makes sense that all the management people, or qualifying officers in each state adhere to the same requirements.

Definition of a Security Officer

In New York State one of the greatest issues we are wrestling with on the Security Guard Advisory Council is to define the term "*Security Guard*". The term *Security Guard* means different things to different people. One of the determinations we have made is that security officers will not be defined by title, but rather by the primary or principal function of their job. I think this method of definition is critical because security officers in different states and different municipalities may perform very different functions, and it is incumbent upon the state to define "*Security Officer*" in accordance with the requirements of that particular state. A security officer guarding the pipeline in Alaska performs a very distinguishable function from that of a security officer in a high rise New York City office building.

The public often perceives security officers as quasi police officers. We, of course, understand that nothing could be farther from the truth. A police officer has powers of arrest and a duty to apprehend, whereas a security officer has a function to observe, report and deter. Consequently, it is always important, in training and statutory requirements that we distinguish between police officer duties and security officer duties. While the public often has difficulty in distinguishing the role of a security officer vis a vis a police officer, it is important that security officers and police officers understand that distinction.

In New York State there has been much confusion with regard to the licensing of proprietary companies. Many proprietary security directors believed that they were required to be officers of their companies in order to be licensed. This confusion has caused much consternation on their part. We are in the process of clarifying that issue now, understanding that a security director, if designated by his or her company, will qualify to be a license holder for purposes of the Security Guard Act of 1992.

HR 1534 addresses this thorny issue in Section 3(6), and it easily provides for the individual state to define how a proprietary company becomes licensed to register security officers.

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The overall intent of HR1534 clearly addresses many of the issues I have discussed, and I think it addresses them successfully and with foresight. Nevertheless, based on my own experience I would like to discuss some of the provisions that may cause conflict, or need clearer definition, in order to be implemented successfully at the state level.

Verification of Past Employment

The Act requires that an employer or registrant send, with the application for registration, verification of past employment. While I understand that section deals mostly with the permanent assignment of an employee, and in that regard have no qualm with those requirements, it does say that temporary registration can only be completed if the past employment and personal references have been verified. "Verification of employment" for 5 years, which is a requirement of the Act, may be an onerous burden on the guard and the company which employs him or her. If "verification" means that reference letters are sent to those past employers as well as the personal references listed in the security officer's application, then I believe that is a reasonable goal. If, however, that compliance means actual receipt by the applicant's company of verification of employment in writing prior to submitting an application, I think as a practical matter, it will make employment of new security officers difficult, at best.

Very often, employers queried about previous employees do not respond, or respond only with verification of dates of employment. It is often a long term process, and may take weeks. The industry, as I know it, does not permit employers to wait weeks to employ security officers. When a security officer makes application to an employer for employment, it is the security company's intention to allow that applicant to be working within a few days, after training, uniforming, and verification of whatever can be verified immediately. We hire that employee because work is available. If we were have to wait weeks to employ an individual then posts would go unfilled on a frequent basis. I do not think that is the intention of the Act. Consequently, it would make sense to me that greater clarification is needed on what constitutes verification of past employment and personal references as indicated in Sec. 5C "Assignment".

Temporary Registration

That leads us to another issue, temporary registration. In New York State a security officer may be temporarily employed for 90 days from the date of hire. An employee, upon completion of the application process and submission of all required forms and other compliances by the

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employer or the employee for registration, will be issued a temporary registration card. It will be issued by the employer, and a permanent registration will be issued thereafter, upon completion of the process by the Secretary of State. I believe HR1534 needs to address with more specificity the understanding that this concept and procedure are consistent with the sense of this legislation.

Fingerprints

HR1534 requires states to use the FBI and NCIC resources, in addition to state resources, to verify criminal conviction history. The bill also allows the individual companies, at their option, to send prints directly to the FBI for a background check. This is identical to the procedure given to the banks of this nation to ensure that they do not employ individuals with criminal backgrounds. It would be my hope that a central clearing house could be established, much as the banking industry has through the American Bankers Association, where a company could apply to the FBI and the results of their investigation would be sent to the State and company.

This would greatly improve the present system with which we experience great delays in obtaining results from the FBI because we have to make application through state agencies.

I might at this point comment upon a registry system we will have in New York. I believe it is an innovative and enlightened method of keeping a constant vigil on security officers. It is called the Security Guard Registry. The way it will work is that New York State will maintain a computer file on each registered guard, or any guard who applies and is denied registration. Consequently, if a security officer is convicted of a crime or arrested for a crime after a registration card has been issued, the state will be notified by the municipality or other arresting authority through the statewide reporting system and then into the security guard registry automatically. Thereafter both the employee and the employer will be notified of the possibility of disqualification from employment.

To my knowledge, New York is the only state in the union which has such a formal registry requirement statutorily mandated. It is the cornerstone, in my opinion, of the Security Guard Act of 1992. It will speed the process of verification of criminal history for employees, the most critical issue for security officer companies because heretofore, we have had no control over the processing time, and no other means to find out about an unsuitable applicant.

Very often the greatest problem in verifying employee backgrounds is the length of time it takes to receive information on criminal histories. In fact, ordinarily the security officer agency only receives notice of an applicant's disqualification. No notice is forthcoming if the employee is

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found to be free of disqualifying criminal history. To speed that process will enable us to better determine the qualifications of the security officers we hire. If a person has been hired previously, or attempted to be hired previously by another security agency and is not qualified, in New York State we will be able to determine that the applicant is not qualified for employment. This process unburdens the system with unnecessarily checking fingerprints and other background information for an unqualified applicant. Consequently, it is believed that the Security Guard Registry will substantially inhibit the procedure whereby a security officer with a criminal conviction record, which would disqualify him or her for employment, travels from one agency to another until his or her disqualification is discovered once again. The Security Guard Registry will foil that unscrupulous security officer and protect an unwary public.

Enforcement

The last issue I would like to address with regard to areas where the bill may need greater clarification is in the enforcement procedures. It seems HR1534 provides that most enforcement on the state level is accomplished through either fines or the suspension of licenses for existing license holders. However, it has been my experience that those who provide the greatest threat with regard to non-compliance are those who are not licensed and who operate without benefit of the licensing and registration procedures. These individuals or companies have no downside risk. They cannot have their license or registration suspended because they do not possess one. There does not appear to be a penalty, either criminal or civil, which addresses the issue of those who do not comply with licensing laws, and do not submit themselves for registration. This becomes a greater issue as time goes by. As the regulation of the industry increases, both of companies and individuals, the more non-compliance, I believe, will occur. The greater the burden on the company or individual for licensing or registration, the more incentive they have not to comply.

Consequently, greater non-compliance will mean the spirit of the Act will be subverted. Clearly most companies which are reputable will comply and do comply now. We find that the laws that are enacted will only complement what we do with our employees. We train them at least as much as the minimum requires, and we currently address at a minimum all of the issues for background searches that are required by the law. So we welcome legislation which puts all companies on an even playing field. However, we do abhor the possibility that the law will encourage greater numbers of unscrupulous security officer companies and the officers themselves to not comply with the law.

Overall, however, I believe that HR1534 is a giant step forward in the relentless pursuit of professionalism we constantly seek. Thank you for your efforts to help us to achieve that often illusive goal.

Chairman MARTINEZ. I might as well start with you, Mr. Fink. One of the questions I was going to ask you about was about the difficulty that New York might have in revisiting the requirements in that 2-year period if the bill is enacted. And you say in your testimony that virtually all provisions of the bill, other than the prohibition against the noncompetitive contract for security officers, is already in the law, so I imagine the answer to the question would be you will have no problem at all.

Mr. FINK. No, the New York law provides for an 8-hour annual refresher training, so we will be doing it 8 hours once a year.

Chairman MARTINEZ. The other question, which you might answer, and Mr. Keating might answer also, is regarding the cost of training and registration requirements in the bill and the difficulty of administering the provisions. Small companies will argue it is too costly for them and too difficult for them. What would your response be?

Mr. FINK. I don't think that the minimum amounts of training discussed here are great amounts. One of the things that I would like to address which was mentioned before, is that there might be more preassignment training suggested, and New York answered that issue by having 8 hours preassignment training and requiring 16 hours OJT, on-the-job, training so there is a total of 24 in New York, but the final 16 is accomplished within 90 days of employment on the job. Because site-specific training we believe is a significant factor in training a security officer.

We are a small company. We currently provide no less than 8 hours preassignment training today. I don't see that as a financial problem or burden of any kind.

Chairman MARTINEZ. To even the small companies?

Mr. FINK. Absolutely not.

Chairman MARTINEZ. The other side of that coin is, and Mr. Scott and I were talking about it going down the elevator to vote, the other side of the coin on cost is what is it going to cost you when you get a liability suit slapped against you, and maybe some smaller companies have been fortunate so far, but when that comes, it comes as a real hard blow.

Mr. FINK. Right. I think that training is a preventive measure and I think what happens is that liability suits are less frequent and less likely to occur and be more insignificant when training occurs. And consequently I think that will balance any additional cost because it will lower premium rates if there are less incidents.

Chairman MARTINEZ. You are currently working to design the New York State under its new law, right?

Mr. FINK. Yes.

Chairman MARTINEZ. Perhaps you might comment on some of the concerns you have doing that.

Mr. FINK. In the New York law?

Chairman MARTINEZ. Yes.

Mr. FINK. We are currently working first on training. The New York law requires 8 hours preassignment, 16 hours on-the-job training before 90 days has passed, which is the temporary registration period in New York, 90 days, and 8 hours refresher training.

We are concerning ourselves with what the subject matter of those particular training regimens will include and with what qualifies a certified instructor, which the New York law calls for, and what will qualify schools to administer the training and have their programs certified by the State. That is how the New York law works.

We will then be addressing the more specific issues: What can be verified on an applicant's application immediately before submission for registration; which specific areas on the application are verifiable. Because the New York law requires verification of an applicant's application prior to registration or its submission of the registration documents. And we realize some of those things can be checked immediately and some cannot. For example, criminal history cannot be verified except by the State and the Federal Government.

So we are trying to distinguish what will be verifiable by the employer immediately and what will not be verifiable by the employer immediately.

Chairman MARTINEZ. As you move ahead developing all of this, and putting it together in a comprehensive manner, I imagine you might be building a model that others might use.

Mr. FINK. We would like to think so, yes. I think that is true. We are addressing many of these issues for the first time in a comprehensive way. Our council, our security advisory council, which I chair, is meeting once a month with much work being done in between and we are trying to develop regulations on an ongoing basis at each meeting, to put each issue to bed because there are so many issues and we feel we will have a template for the industry when we are through with how training and registration should be accomplished.

Chairman MARTINEZ. Well, your State is actually moving ahead of the legislation and this legislation may be in a way catching up with New York on a national basis, and thereby I think it can work hand-in-hand.

Mr. FINK. Absolutely.

Chairman MARTINEZ. Mr. Keating, regarding the costs, your company is a company that invests quite a bit of money into the training of armed guards for your company. I guess the question would be to you, do you feel it is worth it?

Mr. KEATING. I think training is always worth it. I don't have an awful lot of armed guards in my employment. We certainly have served some specialized projects in the past for the Department of Energy under Nuclear Regulatory Commission guidelines, and we are currently doing a special project for a major West Coast bank that requires armed people, and the training in all of those environments is very extensive and far exceeds any requirement that the State of California currently places on us.

Chairman MARTINEZ. Do you feel that is crucial to those kinds of guard duties? And in that respect, I guess that is really a demonstration that there are different levels of security guard services and so there would be different levels of training for each of them.

Mr. KEATING. Absolutely. And I am glad you have raised that issue and I think Mr. Scott touched on it as well.

We have to be sure that this bill does not become viewed as a shopping center security bill. This is a security officer standards bill and there are somewhere between one and a half and two million people that make their living in this profession and a very small percentage of them work in shopping centers or other quasi public places.

Mr. Scott's observation that this is an excellent starting point I think is right on target. At some future time we may have to consider either a separate bill or some sort of an enhancement that would establish perhaps a different standard for quasi public places; airports, theme parks, shopping centers, places where people congregate that happen to be private but have great access from the public. And they are truly a different challenge than the average security officer that stands in the lobby of a high rise building or patrols a hospital or works in a lumber mill or works in a truck terminal.

And even in shopping centers, you know, we have talked about a mall and all the problems that take place in the parking lot. Well, there is mall security and there is parking lot security and they are two very distinct challenges, and the landlord of a mall coincidentally has both parking and a mall to protect, but lots of other entities have parking structures to protect that have nothing to do with malls.

So the business is very, very specialized and the training requirements for all of these specialized areas are dramatically different one from another.

Chairman MARTINEZ. That is one of the reasons I believe it is easier for a State to set standards for themselves and do their regulations.

Mr. KEATING. I agree with that, and I also agree the key element here is to get a foundation bill passed and the more extensive these requirements become, the more opposition we are likely to encounter from strong States' rights advocates.

Chairman MARTINEZ. Thank you, Mr. Keating.

Mr. Sawyer, first let me thank you for bringing what I consider a very unique perspective, the very unique perspective of the armored guard-car industry to this discussion. I visited one of the sites in New York and I was simply amazed at the amount of money that was handled by individuals not much different than any of us. I can recognize your concerns about employees' honesty and protection of clients' assets because that is, after all, your first responsibility is the clients' assets.

I was amazed, too, yesterday evening in discussing the amount of moneys that have to be put into the ATM machines, and that transportation of those moneys there. I really don't have a lot of questions, but I do have a couple just very shortly and then I will turn to Mr. Scott.

Can you give the subcommittee some idea of the cost to the company to bring a new security guard on board, the training to her or him.

Mr. SAWYER. To underscore your earlier comments, Mr. Chairman, every penny that we spend in preemployment and training we think comes back many times, not only in avoidance of litigation and escalation of insurance, but moreover, in goodwill with

our customers. The byproduct of all of this training that we have not talked about is quality of our operations. Quality, thematically has become a key issue in U.S. industry. We have not talked about that much today but we are a highly competitive industry, so we believe every penny, every dollar we spend on training is not a cost. We, frankly, see it as an investment in the quality of our operations, which comes back to us in the form of new business and increased market share.

But, roughly, you would see the cost varies according to the procedures of each individual company. We estimated for our company it is about \$1,000 per employee in preemployment and training. But, again, our standards are fairly rigorous. You might find other companies spend far less than that. But let me underscore again that we are, our sense of it is that it all comes back home to roost in the form of goodwill, enhanced quality, better productivity, and of course, as you and Mr. Scott accurately noted, lower insurance costs in avoidance of litigation.

Chairman MARTINEZ. The one thing that Mr. Baesler is concerned about, and I understand his concern, is giving a false sense of security to people in malls, but I think that he is concerned about only the 8 hours required in the bill, and like I say, I would look friendly on any amendment that increased those hours. But as Mr. Keating said, we are trying to keep the training to a minimum to allow the States to do as much of this as they can given their particular situations.

The one thing for sure is that we realize in what we have seen that there are different levels of training for different kinds of positions within any security guard company. Yours probably has a closer, more tight level of services, but I imagine even in your company there are different training for different prescribed duties.

Mr. SAWYER. That is very accurate and because the armored car industry is an interesting assimilation of several different business disciplines—we are a trucking company; we are a guard company; we provide field engineering services, very much like Diebold or NCR, to ATM equipment; and of course we are in the banking type industry because we perform back-room services for our bank and retail customers in currency preparation accounting—so when you begin to talk about specific categories of employees and the inherent training required for different positions, it is quite different for the money room teller than it is for an ATM technician that it might be for a driver on an armored vehicle and that again is different in the folks who work in our vault operation.

So we are endorsing the 8 hours because we think that is an appropriate and commonsense place to start.

Chairman MARTINEZ. Thank you, Mr. Sawyer.

One last question before I turn to Mr. Scott. Your company conducts a written honesty test, as you described it in your testimony. Can you explain exactly what that is? Is that a lie detector examination or something?

Mr. SAWYER. No, no. We do not use the polygraph any more as part of our preemployment process. We do use a Reed test. Another common form of that would be a test provided by London House Corporation. I am not a psychologist, Mr. Chairman, but we view the drug screening and the honesty test as nothing more than an-

other deterrent to try to avoid and do our best to keep from bringing into our company folks that might try to perpetrate a crime internally and we are particularly concerned about the moral imperative of our business. We just don't want to hand a gun to somebody that might have a predisposition toward violence or might not be an honest person.

Chairman MARTINEZ. So it is conducted by a psychologist?

Mr. SAWYER. No, it is all done in-house with a Reed test, it is a written paper and pencil test, and another common form of that is the London House test.

Chairman MARTINEZ. Thank you.

Mr. SAWYER. By the way, they are very common in the industry.

Chairman MARTINEZ. Thank you, Mr. Sawyer.

Mr. SAWYER. Yes, sir.

Chairman MARTINEZ. Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. I just have a couple of questions. One of the goals in this is to allow guards to cross State lines. Could you tell me how the bill would work and whether or not it fulfills that promise?

Mr. KEATING. Well, it is our understanding that, first of all, the employer in the home State would be required to notify the host State of the need to move dual authorized employees from one State into a different jurisdiction.

The second step would be to bring those transferred employees from whatever level of training was required in the home State up to the same level of training, the new level of training, that is required in the host State, assuming that the levels were different, assuming that the host State level was higher.

And then after they had prenotified and met any additional requirements of the host State, they would be permitted to utilize those people in a neighboring State for a temporary period of time to meet some major emergency.

And Hurricane Andrew is probably the best example—the best recent example—of the need to do that on a mass scale. The State of Florida was very, very proactive and they made some rather instantaneous changes in their State law to facilitate that.

My own company had a recent requirement to utilize people from Minnesota in the State of Wisconsin, and the need for that was announcement, a very, very politically sensitive announcement by a major U.S. corporation, that they were going to close down a facility as part of their downsizing and they wanted my employees to be hired and trained and ready to go, but if we did that within the community where the plant was located, the secret would have been out and the press would have been there several days in advance of the public announcement. So they requested that our people be essentially staged out of town temporarily and then moved to the site upon the company's announcement.

There are a number of reasons, emergency reasons, why you cannot necessarily, especially in States that, like St. Louis, where you are right against a border State, where it would be very, very useful to get temporary jurisdiction across State lines.

Chairman MARTINEZ. Would the gentleman yield on that?

Mr. SCOTT. Yes, Mr. Chairman.

Chairman MARTINEZ. More often than not, armored car companies cross State lines on a regular basis, maybe the ATM operation being based in Virginia and delivering the ATM machines in Maryland. So they would be licensed and registered in one State and not the other and need to cross. Would you care to comment on that, Mr. Sawyer?

Mr. SCOTT. I thought we would add to that some cities like Bristol, Tennessee, that border on Bristol, Virginia, therefore, you would almost have to work in both.

Mr. SAWYER. For our industry, Mr. Chairman, it is a terrible problem. Because, clearly, funds, currency, crosses State lines and we transport that currency, for example, for the Federal Reserve System. We transport ore that is mined in Nevada to Utah. U.S. commerce constantly moves across the State barriers, and over the years the law has not kept pace with the changes in our daily commerce.

Now, the H.R. 1189, the Armored Car Industry Reciprocity Act, does address this issue Mr. Chairman. Currently our employees have to have one permit for Virginia and another permit for Maryland and a third permit for the District of Columbia. Because our people in Springfield, Virginia, constantly cross those invisible barriers and it is prohibitive, very difficult.

Mr. SCOTT. How does the bill, does the bill fix that?

Mr. SAWYER. This bill in conjunction with the Armored Car Reciprocity Act fixes it.

Mr. SCOTT. Let me change subjects. Will many companies have problems complying with the 8-hour training requirement?

Mr. FINK. Perhaps I could answer that. In New York, the 8-hour preassignment training for many companies will be a new requirement, something they have not done. Many of us will already do that so it will be no problem for us to comply with that. But there will be many sources for them to address the 8-hour preassignment. There will be institutions, such as universities, John Jay College of Criminal Justice, Hofstra University, it will provide an opportunity to get that 8-hour training on their premises.

There will be independent schools that will evolve which will do the same. It will also allow for in-house training for facilities such as ours, where we have a qualified trainer or a qualified school and provide the appropriate program for training.

So I think there will be many sources available to an operator to achieve the 8 hours' training and I don't see it as a burden.

Mr. SCOTT. Who will enforce the legislation?

Mr. FINK. In New York State?

Mr. SCOTT. In this legislation.

I don't know whether I am asking that to the Chairman or the panel or to the staff.

Chairman MARTINEZ. The States themselves will enforce it.

Mr. SWEETING. With the exception of the funding of the juvenile justice procedure, then the State Attorney General will enforce it.

Mr. SCOTT. No further questions, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Scott.

I want to thank the panel again today and remind the people in closing that I would like to announce that this is the first of the two hearings on this topic. The next hearing will be held at 9:30 on

Thursday, June 17 in Room 2257 of this building immediately next door.

Thank you again for your excellent testimony. It was very helpful to us.

[Whereupon, at 11:50 a.m., the subcommittee was adjourned.]

HEARING REGARDING PRIVATE SECURITY GUARDS

THURSDAY, JUNE 17, 1993

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HUMAN RESOURCES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to call, at 9:30 a.m., Room 2257, Rayburn House Office Building, Hon. Matthew G. Martinez, Chairman, presiding.

Members present: Representatives Martinez, Scott, and Baesler.
Also present: Representative Sundquist.

Staff present: Lester H. Sweeting, staff director/counsel; Elizabeth Romero, staff assistant; and Lee Cowen, minority staff.

Chairman MARTINEZ. I want to convene the meeting and start my statement. We will be joined shortly by another member.

Good morning. This morning the subcommittee meets to take additional testimony regarding the necessity for stricter controls over the preemployment screening of persons hired to be private security guards and the need for better minimal training requirements for those personnel.

On Tuesday, seven witnesses testified about the problems in the industry due to inadequate training and pricing structures that reward those companies who cut corners in the hiring process and in training.

This industry is currently underregulated, in my opinion, either at the Federal or State level.

While some States have moved to enact rational rules and regulations covering many aspects of the security field, only one has moved to cover so-called proprietary or in-house security officer requirements.

Although most, if not all, observers agree that full background investigations are necessary to ensure that those hired to be security officers are honest and are not convicted felons or persons charged with a crime, no State has access to information gathered by the FBI or the National Crime Information Center. The bill that Congressman Owens and I jointly sponsored, H.R. 1534, would cure those deficiencies.

Today, we will hear from several interested parties in the industry, some of whom disagree with the approach taken in H.R. 1534, but in general where there is disagreement, it would appear that it is felt that the legislation does not go far enough to correct the current deficiencies or there is need to fine-tune this legislation.

While that may be true, let me stress that H.R. 1534 only sets minimum standards and only mandates minimum standards for the States to follow and leaves it to the States to develop more stringent standards as they see fit based on the uniqueness that each State has in terms of the type of population and crime statistics, et cetera.

I believe that this is an appropriate approach because if this bill is passed there would be at least some standards in place where none exist at this time.

Once the States have had an opportunity to begin to implement these standards, they will be in a better position to determine how stringent their particular standards need to be.

At least one witness will testify about the costs of these rules on small business. As a former small businessman myself, let me say that I can well appreciate the difficulty that potentially expensive regulations can cause for a business. However, where the business is one that is critical to the health and well-being of the public and the protection of clients' assets, the cost of the training and background checks as security guards will be more than offset by the improved quality of the business in providing services to clients and the reduction of potential liability suits.

Private property owners, medium and large-sized companies, shopping malls, schools, public buildings, and even Federal, State and local government agencies are turning increasingly to the use of private security forces in lieu of public police departments to protect property and customers.

While the vast majority of private security officers are unarmed and do not deal directly with the public, it is the side of the industry that is armed and in uniform and that is dealing directly with the public that is becoming more visible every day and more alarming for its lack of adequate training and preemployment clearance.

In general, Americans believe that those people who are in uniform represent trained people who are not criminals themselves. The vast majority of security officers are professionals and have appropriate backgrounds to perform these duties, but we know that there are persons who are felons who have pending charges against them who can be hired and working in public areas, carrying a firearm.

A security guard at a school or a shopping mall must be able to deal effectively with altercations with or between young people, especially in these days of almost universal availability of handguns.

It may not be enough to know what the property line is, what the posted rules as to eating, smoking, or other activities might be, and how to check to see if an area is locked or how to read a video camera shot. All too often, the knowledge of how to handle a violent situation or how to subdue a violent person without major injury to the person or one's self is critical to the prevention of tragedy; yet we are told that due to the cost and competition, the training and background checks are too expensive to put in place. I don't believe so.

Eleven States have absolutely no laws on the books dealing with background checks or minimum training requirements for security officers—including armed security officers.

A number of other States have only minimum rules in place. Some States such as Florida have stringent requirements which are effectively enforced.

I believe that all States should have minimum requirements for training and background checks. I do not believe that the Federal Government, however, should manage the licensing, training and background checks for security personnel, however, because conditions differ among the States and each State should be in a position to establish how stringent their own rules should be. We have written this law in such a way that would allow that.

I would like to state that all of the written testimony submitted by witnesses will be entered in the record in its entirety. The committee welcomes the submission of additional statements from any interested parties on the issues brought out in these hearings. The record will remain open for 10 days to allow for that additional information to come in.

I would now like to turn to my colleague, Mr. Scott, for any opening statement he might have.

Mr. SCOTT. I congratulate you for bringing this bill to the attention of the subcommittee.

In the previous meeting we had testimony showing a strong consensus in favor of the legislation. We had moving testimony from victims of crimes, showing the need. There are comments that we didn't go far enough in the legislation, but I think the key is that it is a major step in the right direction.

I look forward to the testimony. I understand there will be testimony looking at the costs for implementing the legislation and that has to be compared to the reduced costs and exposure to legal liability. I look forward to the testimony, Mr. Chairman, and appreciate the opportunity to comment.

Chairman MARTINEZ. Thank you.

At this time, we will call our first panel consisting of Roger C. Kneip, Senior Vice President of Wackenhut Corporation from Coral Gables, Florida; and Mr. Rodger Comstock, President of Burns International from Parsippany, New Jersey. Mr. Kneip.

STATEMENTS OF ROBERT C. KNEIP, SENIOR VICE PRESIDENT, WACKENHUT CORPORATION, ACCOMPANIED BY MICHAEL GOODBOE; AND RODGER COMSTOCK, PRESIDENT, BURNS INTERNATIONAL

Mr. KNEIP. Good morning, Mr. Chairman and members of the committee, I am Dr. Robert Kneip, Senior Vice President of the Wackenhut Corporation. This is Michael Goodboe, who I have asked to attend, Vice President of the Corporation for Training and who is an expert on training matters in the event that specific questions might arise.

On behalf of the Wackenhut Corporation, thank you for the opportunity to testify regarding H.R. 1534.

At the outset, I would like to do two things: First, compliment the committee for the efforts that have gone into developing H.R. 1534 and pledge our support for this measure. Secondly, I would like to enter into the record exhibits A through J, most of which I will refer to at various points in my testimony.

We have examined H.R. 1534 in depth. At the request of Chairman Martinez, we will be limiting our comments to the issue of training. There are a myriad of other issues related to this bill which we have addressed in written testimony and which has been entered into the record.

For the most part, the public assumes that contract security officers are properly trained. In fact, the public has a right to demand that individuals entrusted with the safety and security of its facilities are trained to acquit their responsibilities properly. Unfortunately, this is not always the case.

There are instances where the level of training provided to security officers is equal to and in some cases may even exceed the levels of training of public sector employees. For example, commercial nuclear facilities and highly sensitive government facilities mandate standards that result in highly trained and well-equipped personnel. These instances aside, however, the training generally provided to private sector security officers is woefully inadequate. The problems stem from the marketplace forces which govern the client-contractor relationship.

Given the highly competitive nature of the security industry, training and the qualification of security officers tend to be driven by pricing considerations. Training increases costs and with a variety of options available in any given market, price will tend to drive costs to the lowest common denominator and often force security providers to eliminate or reduce discretionary items of cost such as training.

To stay competitive and in fact stay in business many security companies simply forego training. If enacted, H.R. 1534 will mitigate the worst excesses of aggressive price competition and require suppliers of security services to provide at least minimum standards of training.

I believe we are especially qualified to speak on the subject since our corporation regularly interacts with States' boards which seek to legislate industry training levels in their States.

Wackenhut has produced training manuals that are used in a number of States. We have provided a complete copy of two such programs, for North Carolina and Florida, to the Chairman's office. We have included selections from these programs as Exhibits B and C respectively. In fact, we are the only private security company to be selected by a State, North Carolina, to develop a security training program for the basic training of all contract security companies operating in North Carolina.

Our materials have been chosen by the Department of Labor to be used as a foundation for the basic security training curriculum provided by Job Corps centers. In addition, the Wackenhut Corporation operates the Central Training Academy for the Department of Energy, and provides training in support of such sensitive national facilities as the Savannah River site, Nevada Test site and the Rocky Flats Nuclear Production Facility.

The Chairman's letter of April 28, 1993, states: "There are 14 States that have no requirement for screening or training." This is only partially correct, and the situation is actually much worse. It is important to draw a distinction between training required for armed personnel and that mandated for unarmed security officers.

At least 32 States and the District of Columbia require training for armed security officers, creating an impression that all security officers within those jurisdictions are subject to mandated training programs.

Since only a small percentage of the private security officers currently employed throughout the country are armed, it is more meaningful to look at training required for those who are not armed. As of this date, only 17 States require training for unarmed security officers. Thus, the vast majority of security personnel operating today do not fall under any required training. Exhibit D lists those States requiring training for armed guards as opposed to those States requiring training for unarmed security officers. H.R. 1534 cites a number of reasons why this legislation is necessary. We concur with that analysis.

There are some additional factors which must be acknowledged, as well. In 1990, the industry employed 1.5 million workers, while public sector employment, law enforcement, was approximately 600,000. By the year 2000, the private sector will employ two million workers while the public sector will employ only 700,000.

Private versus public security expenditures show similar trends. In 1990, such expenditures totaled \$52 billion, while public expenditures, \$30 billion. By the year 2000, private security expenditures will reach \$103 billion and public expenditures will total \$44 billion. By that time, private sector employees will eclipse public sector employees by a ratio of 3 to 1. In short, private security is destined to assume a greater role in the protection of the public and its assets. Thus, it is absolutely critical that those utilizing private sector security have reasonable expectations that those companies with whom they contract have provided basic training.

Recognizing the need to mandate security officer training requirements, it is important that the bill establish a clear methodology to insure the relevance of this training. This might be accomplished through the selection of core subjects common to the industry, with an option to include elective subjects germane to geographic circumstances. That would provide uniformity in the standards established by the bill.

We would further recommend that each State create a board of individual representatives and members of the public charged with the responsibility of annually reviewing training requirements. As with any training, to be effective, security training cannot be allowed to remain static. In the past, for example, OSHA subjects were seldom required to be taught to security officers. These subjects are critical and should be mandated across the country. My organization generally concurs with the hours specified for basic and continuing education; however, we feel that a segment dedicated to the Principles of First Aid would enhance the curriculum.

Another problem which must be avoided is the tendency to target training programs at levels beyond the capacity of the typical practitioner to comprehend or apply. We want to assure complete understanding on the part of the security officers. As an example, our entry level security officer training workbooks are written at a middle school vocabulary level. Our lesson plans, on the other hand, are written at the high school level. Introduced as Exhibits E and F are copies of our JCS-1A work plan and lesson plan

and lesson plan LP-1. Both contain similar subject matter but differ in the level at which each is written.

The Wackenhut Corporation, with over 40,000 employees and a complete training research division that produces security training materials for its employees and clients alike, draws upon continual needs assessment by its client base to assess the legitimacy of its training programs.

Included with our written submission as Exhibit G is a prioritized list of the top 16 training subjects currently requested by our client base throughout the United States. This list is important because it reflects the real needs of the public and not the perception of individuals who are not currently operating in the security industry. The selection of appropriate training topics is extremely crucial to the performance of the individual security officer. Training must be relevant for it to remain effective. By adopting these approaches, the bill would provide specific measurement guidelines which would allow States to fairly evaluate the effectiveness of training, and would help to avoid the tendency to base subject matter on perception of what is needed rather than relating requirements to ongoing industry needs.

There remain inherent issues which this legislation must address, not specifically training related. Enforcement of these provisions is one crucial problem. Funding incentives to comply with the provisions of this bill must at least offset the costs of the measure for it to be effective. In addition, of the roughly 14,000 security companies licensed to operate in the United States today, the vast majority generate less than \$1 million in revenues.

The focus of enforcement efforts has been largely geared towards larger companies, many of which have Federal Government contracts. In reality, it will be the smaller companies that will require the closer scrutiny. We are concerned that the cost to the States of enforcing the requirements will drive them to concentrate on the larger security employers, most of whom abide by rules and guidelines, while smaller operators will ignore the requirements completely. If this occurs, not only will the public be defrauded of its legitimate expectations for properly trained and effective security officers, but pricing considerations will continue to reduce training to the lowest competitive levels.

Related to the enforcement issue is the danger of establishing programs that are unreasonably stringent in their requirements. The State of Illinois, for example, has established a well-meaning but excessively rigid program that is almost impossible to enforce. As a result, this program, in our estimation, has fallen into disuse. That is why we have consistently stressed the need for meaningful requirements that accurately reflect industry needs and can be reasonably expected to be inculcated by the security officers.

Finally, some jurisdictions have relied upon academic institutions to design and implement security training programs. While these are academically defensible on paper, they are not based upon regular, ongoing contacts with either practitioners or users of security force personnel. As a result, they do not meet the performance criteria of the industry.

We encourage the bill to focus upon establishment of training requirements based upon industry defined as opposed to academically designed training standards.

The bulk of the companies and employees in this industry are hard working and well meaning. Their goals are to provide the best possible service to the clients. Unfortunately, given the visibility and the significance of the role it is asked to play, the industry can no longer tolerate those who would cut corners for the purposes of increasing their profits or staying in business.

This proposed legislation will, in our view, go a long way toward ameliorating those forces which would reduce services without regard to quality, and which have encouraged the growth of less than professional practitioners.

The purpose and intent of H.R. 1534 is valid and will assist those of us in the industry who have sought to raise its standards. This bill is good for American industry and the American public. It will address a longstanding need in an economy seeking to be both efficient and cost effective. To this end, we pledge our full support and commitment, and I appreciate having had the opportunity to present our views to the committee.

Chairman MARTINEZ. Thank you.

[The prepared statement of Mr. Kneip follows:]

THE WACKENHUT CORPORATION TESTIMONY BEFORE THE
HOUSE EDUCATION AND LABOR SUBCOMMITTEE
ON HUMAN RESOURCES

Good Morning Mr. Chairman and Members of the Committee. I am Dr. Robert Kneip, Senior Vice President of The Wackenhut Corporation.

On behalf of The Wackenhut Corporation, I would like to thank you for the opportunity to testify regarding H.R. 1534. At the outset, I would like to do two things: first, compliment the Committee for the efforts that have gone into developing H.R. 1534, and pledge our support for this measure. Secondly, I would like to enter into the record Exhibits A - J, most of which I will refer to at various points in my testimony. Some of the exhibits, however, are germane only to the written testimony.

We have examined H.R. 1534 in depth. At the request of Chairman Martinez, we will be limiting our comments to the issue of training. There are a myriad of other issues related to this Bill which we have addressed in written testimony, and which has also been entered into the record.

For the most part, the public assumes that contract security officers are properly trained. In fact, the public has a right to demand that individuals entrusted with the safety and security of its facilities are trained to acquit their responsibilities properly.

Unfortunately, this is not always the case. Indeed, there are instances where the level of training provided to security officers is equal to, and in some cases may even exceed, the levels of training of public sector employees. For example, commercial nuclear facilities and highly sensitive government facilities mandate standards that result in highly trained and well equipped personnel. These instances aside, however, the training generally provided to private sector security officers is woefully inadequate. The problem stems from the marketplace forces which govern the client-contractor relationship. Given the highly competitive nature of the security industry, training and the qualification of security officers tend to be driven by pricing considerations. Training increases costs, and with a variety of options available in any given market, price will tend to drive costs to the lowest common denominator, and force security providers to eliminate or reduce discretionary items of cost such as training. To stay competitive, and in fact, stay in business, many security companies simply forego training. If enacted, H.R. 1534 will mitigate the worst excesses of aggressive price competition, and require suppliers of security services to provide at least minimum standards of training.

I believe we are especially qualified to speak on the subject since our corporation regularly interacts with State Boards which seek to legislate industry training levels in their states. Wackenhut has produced training manuals that are used in a number of states. We have provided a complete copy of two such programs, for North Carolina and Florida, to the Chairman's office. Additionally, we have included selections from these programs as Exhibits "B" and "C," respectively. In fact, we are the only private

security company to be selected by a state, North Carolina, to develop a security training program for the basic training of all contract security companies operating in North Carolina. Our materials have been chosen by the Department of Labor to be used as a foundation for the basic security training curriculum provided by Job Corps centers. In addition, The Wackenhut Corporation operates the Central Training Academy for the Department of Energy, and provides training in support of such sensitive national facilities as the Savannah River Site, Nevada Test Site, and the Rocky Flats Nuclear Production Facility.

The Chairman's letter of April 28, 1993 states, and I quote: "...there are 14 states that have no requirement for screening or training...". This is only partially correct, and the situation is actually much worse. It is important to draw a distinction between training required for armed personnel and that mandated for unarmed security officers. At least 32 states and the District of Columbia, require training for armed security officers, creating an impression that all security officers within those jurisdictions are subject to mandated training programs. Since only a very small percentage of the private security officers currently employed throughout the country are armed, it is more meaningful to look at training required for those who are not armed. As of this date, only 17 states require training for unarmed officers. Thus, the vast majority of the security personnel operating today do not fall under any required training. Exhibit "D" lists those states requiring training for armed guards as opposed to those states requiring training for unarmed security officers.

H.R. 1534 cites a number of reasons why this legislation is necessary. We concur with that analysis. There are additional factors which must be acknowledged:

- ♦ In 1990, the private security industry employed 1.5 million workers, while public (law enforcement) sector employment was approximately 600,000.
- ♦ By the year 2000, the private sector will employ 2 million workers, while the public sector will only employ 700,000.

Private versus public security expenditures show similar trends.

- ♦ In 1990 such expenditures totaled \$52 billion, while public expenditures totaled \$30 billion.
- ♦ By the year 2000, private security expenditures will reach \$103 billion, while public expenditures will total \$44 billion.

By that time, private sector employees will eclipse public sector employees by a ratio of three to one. In short, private security is destined to assume a greater role in the protection of the public and its assets. Thus, it is absolutely critical that those utilizing private sector security have reasonable expectations that those companies with whom they contract have provided basic training.

Recognizing the need to mandate security officer training requirements, it is important that the Bill establish a clear methodology to ensure the relevance of the training. This might be accomplished through the selection of core subjects common to the industry, with the option to include elective subjects which are germane to specific geographical circumstances. This would provide some uniformity in the standards established by the Bill. We would further recommend that each state create a Board of individual representatives and members of the public, charged with the responsibility of annually reviewing training requirements. As with any training, to be effective, security training cannot be allowed to remain static. In the past, for example, OSHA subjects were seldom required to be taught to security officers. These subjects are critical and should be mandated across the country. My organization generally concurs with the hours specified for both basic and continuing education; however, we feel that a segment dedicated to the Principles of First Aid would enhance the curriculum.

Another problem which must be avoided is the tendency to target training programs at levels which are beyond the capacity of the typical practitioner to either comprehend or apply. Hence, we would recommend that training curricula be grade leveled to assure complete understanding on the part of the security officer. As an example, our entry level security officer training workbooks are written at a middle school vocabulary level. Our lesson plans, on the other hand, used by instructors and supervisors, are written at the high school level. Introduced into the record, as Exhibits "E" and "F," is a copy of our JCS-1A workbook, entitled "Basic Duties of Security Officers," and lesson plan LP-1, "General Duties and Responsibilities of Security Officers." Both contain similar

subject matter, but differ in the level at which each is written. The Wackenhut Corporation, with over 40,000 employees and a complete training research division that produces security training materials for its employees and clients alike, draws upon continual needs assessment by its client base to assess the legitimacy of its training programs. Included with our written submission to the record, as Exhibit "G," is a prioritized list of the top sixteen training subjects currently requested by our client base throughout the United States. This list is important because it reflects the real needs of the public and not the perception of individuals who are not currently operating in the security industry. The selection of appropriate training topics is extremely crucial to the performance of the individual security officer. Training must be relevant for it to remain effective. By adopting these approaches, the Bill would provide specific measurement guidelines which would allow states to fairly evaluate the effectiveness of training, and would help to avoid the tendency to base subject matter on perception of what is needed rather than relating requirements to on going industry needs.

There remain some inherent issues which this legislation must address, which are not specifically training related. Enforcement of these provisions is one crucial problem. Funding incentives to comply with the provisions of this Bill must at least offset the costs of administering the measure for it to be effective. In addition, of the roughly 14,000 security companies licensed to operate in the United States today, the vast majority generate less than one million dollars in annual revenues. The focus of enforcement efforts has been largely geared towards the larger companies, many of which have Federal Government contracts. In reality, however, it will be the smaller

companies that will require the closer scrutiny. Our concern here is that the costs to the states of enforcing these requirements will drive the states to concentrate on the larger security employers, most of whom abide by all the rules and guidelines, while many of the smaller operators will ignore the requirements completely. If this occurs, not only will the public be defrauded of its legitimate expectations for properly trained and effective security officers, but pricing considerations, alluded to at the beginning of my testimony, will continue to reduce training to the lowest competitive levels.

Related to the enforcement issue is the danger of establishing programs that are unreasonably stringent in their requirements. The state of Illinois, for example, has established a well meaning, but excessively rigid program that is almost impossible to enforce. As a result, this program has fallen into disuse. That is why we have consistently stressed the need for meaningful requirements that accurately reflect industry needs and that can be reasonably expected to be inculcated by the security officers.

Finally, some jurisdictions have relied upon academic institutions to design and implement security training programs. While these programs are academically defensible on paper, they are not based upon regular, on-going contacts with either practitioners or users of security force personnel. As a result, they do not really meet the performance criteria of the industry. We would strongly encourage the Bill to focus upon the establishment of training requirements based upon industry defined, as opposed to academically designed, training standards.

The bulk of the companies and employees in this industry are hard working and well meaning. Their goals are to provide the best possible service to their clients. Unfortunately, given the visibility and significance of the role it is asked to play, the industry can no longer tolerate those who would cut corners for the purposes of increasing their profits or staying in business. This proposed legislation will, in our view, go a long way toward ameliorating those forces which would reduce services without regard to quality, and which have encouraged the growth of less than professional practitioners. The purpose and intent of H.R. 1534 is valid and will assist those of us in the industry who have sought to raise its standards. This Bill is good for the industry and is good for the American public. It will address a long standing need in an economy seeking to be both efficient and cost effective. To this end, we pledge our full support and commitment, and appreciate having had the opportunity to present our views to the Committee.

Chairman MARTINEZ. Mr. Comstock.

Mr. COMSTOCK. Good morning.

I have been with Burns International for over 20 years. I started as a district management trainee in California and have held a variety of positions starting with district manager and moving through to become vice president of our nuclear utility unit and I am now president of the unit.

Burns International is the Nation's largest supplier of contract security services and is a part of the Chicago based Borg-Warner Security Corporation, the world's largest protective services company.

In addition to its offices throughout the United States, Burns has offices in the U.K., Canada, and Colombia, South America. Burns is also the largest supplier of armed contract security services to the nuclear utility commercial industry in the United States.

I want to thank Chairman Martinez for taking the initiative to introduce the Private Security Officers Quality Assurance Act of 1993, H.R. 1534. Burns supports this legislation in its entirety and believes that it will be an inducement to standardize, and therefore enhance, the licensing requirements for security companies and their employees.

Burns, both directly and through its trade organization, the Committee of National Security Companies known as CONSCO, has long supported State legislation requiring thorough but realistic screening and background checks for employees. CONSCO has worked hard for several years to achieve consistent State legislation but the task has been difficult and the progress slow.

Today, only 28 States and the District of Columbia require background checks for contract security officers. Only seven and the District of Columbia also require background checks for proprietary, in-house private security officers. More seriously, 14 States do not yet require background checks for even armed private security officers.

At Burns, we perform the following screening for industrial security officers: Reference verifications for 5 years of prior employment history with explanation and documentation for all employment gaps over 90 days; a structured preemployment interview and evaluation; and a criminal records check for the county of residence. We also perform a prehire drug screen. Nuclear utility security officers are armed in many cases and receive a more stringent prehire screen, as mandated by Federal rules and nuclear utility requirements.

At Burns, we consider screening a part of our responsibility to our clients and to the public generally. It is my personal belief that the public has an expectation that the security officer that they see in their apartment house, in their school, in their place of work has been screened and is not a criminal.

In a personal perspective, I had the parental opportunity last weekend of taking my oldest daughter to be enrolled into a college in southern New Jersey. I reviewed the on-campus and off-campus residency. I was talking to a security officer where I am considering housing my daughter and was faced with the realization that I don't know for sure if that person is a convicted rapist in an adjoining State.

Professionally I speak to you today; personally I remain concerned. We deem these efforts necessary to provide the highest quality service through honest, responsible and trained, qualified employees. Although screening requirements at Burns for industrial and nuclear security officers on the whole exceeds those of H.R. 1534, we believe that the bill is important to ensure the establishment of minimum level standards.

Today, I would like to focus my comments on the great improvements in the criminal record checks that would be provided by H.R. 1534. The State process for performing criminal record background checks as a part of the licensing process is at best slow and incomplete. For the most part, States only check their own criminal records in licensing a security officer.

As a native Californian, I was not surprised when CNN recently televised an investigative report on the security industry. In a CNN interview, James Diaz, chief of licensing for California, indicated that his department was powerless under State law to check security officers' license applications for out-of-State criminal convictions. For example, if a person is convicted of murder in Nevada and does not voluntarily reveal that conviction, that person may still obtain a security officer license in California.

These days many State agencies, including California, are also often overworked and understaffed, and this frequently slows down the license review process.

The best way to avoid these problems is to allow the security industry to obtain criminal record checks directly from the FBI. By providing access to FBI criminal records, H.R. 1534 makes available to the security industry the same criminal record procedures that are currently available to banks, savings and loans, and credit unions. Potential bank hires are fingerprinted on equipment furnished by the American Banking Association and the prints are submitted to the ABA for a quality check. They are then sent to the FBI and within 2 to 6 weeks the FBI sends a report directly back to the submitting bank or credit union.

As you may know, the FBI collects arrest and conviction information in each of the 50 States and therefore provides the most comprehensive database available. In addition to a more complete criminal records check, H.R. 1534 will result in a faster turnaround time. Presently in those States where we are required to submit fingerprints to the FBI through the State regulatory agencies, we wait from 2 to 6 months to receive results. Most State laws usually provide that a security officer can be hired and placed on duty immediately pending the results of a criminal record check, again 2 to 6 months.

We also believe that a fingerprint check is the best and most complete check. Unfortunately, not all States require fingerprints.

Although H.R. 1534 now only provides for background screening for security officers and their immediate supervisors, I recommend it be expanded to permit security companies to obtain FBI checks on candidates for manager positions as well. The security company managers set standards and control the security officers and their supervisors in many respects, and security companies should be able to access FBI criminal records for higher level job applicants.

I have focused my comments on criminal record checks under H.R. 1534. Employment reference checks are also critical to a useful and comprehensive screening process. Frankly, we believe that the best predictor of what someone will do in the future is what they have done in the past. H.R. 1534 provides that employment reference checks must be conducted for the prior 5 years and that the employer certify to the State that the checks have been performed. In the United Kingdom, where criminal record checks are not available, government-approved standards mandate a 10-year employment reference check for security officers.

We believe there is a compelling need for H.R. 1534. A very significant part of that need is the quick and complete benefit of a criminal records check provided through the FBI. Thank you very much.

Chairman MARTINEZ. Thank you, Mr. Comstock.
[The prepared statement of Mr. Comstock follows:]

STATEMENT OF RODGER H. COMSTOCK, PRESIDENT, BURNS INTERNATIONAL SECURITY SERVICES

Good morning. I have been with Burns International for over 20 years and I have held a variety of positions, starting with District Manager, and prior to becoming President I was Vice President of our Nuclear Utility Business Unit.

Burns International is the Nation's largest supplier of contract security services and is a part of the Chicago-based Borg-Warner Security Corporation, the world's largest protective services company.

In addition to its offices throughout the United States, Burns has offices in the United Kingdom, Canada, and Colombia, South America. Burns is also the largest supplier of armed contract security services to the Nuclear Utility industry in the United States.

I want to thank Chairman Martinez for taking the initiative to introduce the Private Security Officers Quality Assurance Act of 1993, H.R. 1534. Burns supports this legislation in its entirety and believes that it will be an inducement to standardize, and therefore enhance, the licensing requirements for security companies and their employees. Burns, both directly and through its trade organization, the Committee of National Security Companies, known as "CONSCO," has long supported State legislation requiring thorough but realistic screening and background checks for employees. CONSCO has worked hard for several years to achieve consistent State legislation, but the task has been difficult and progress slow.

Today, only 28 States and the District of Columbia require background checks for contract security officers. Only seven of those States and the District of Columbia also require background checks for proprietary, in-house private security officers. More seriously, 14 States do not yet require background checks for armed private security officers.

At Burns, we perform the following screening for industrial security officers: Reference verifications for 5 years of prior employment history with explanation and documentation for all employment gaps over 90 days; a structured preemployment interview and evaluation; and a criminal records check for the county of residence. We also perform a prehire drug screen. Nuclear utility security officers are armed in many cases and receive a more stringent prehire screen, as mandated by Federal rules and nuclear utility requirements.

At Burns, we consider screening a part of our responsibility to our clients and to the public generally. We deem these efforts to be necessary to provide the highest quality service through honest, responsible, trained, and qualified employees. Although screening requirements at Burns for industrial and nuclear security officers on the whole exceeds those of H.R. 1534, we believe H.R. 1534 is important to ensure the establishment of minimum level standards.

Today, I would like to focus my comments on the great improvement in criminal record checks that would be provided by H.R. 1534.

The State process for performing criminal record background checks as a part of the licensing process is at best slow and incomplete. For the most part, States only check their own criminal records in licensing a security officer.

CNN recently televised an investigative report on the security industry. In a CNN interview, James Diaz, Chief of Licensing for the State of California indicated that his department was powerless under State law to check security officer license applications for out-of-State criminal convictions. For example, if a person is convicted of murder in Nevada and does not voluntarily reveal that conviction, that person may still obtain a security officer license in California.

These days many State agencies, including California, are also often overworked and understaffed, and this frequently slows down the licensing review process.

The best way to avoid these problems is to allow the security industry to obtain criminal record checks directly from the Federal Bureau of Investigation. By providing access to FBI criminal records, H.R. 1534 makes available to the security industry the same criminal record procedures that are currently available to banks, savings and loan associations, and credit unions. Potential bank hires are fingerprinted on equipment furnished by the American Bankers Association and the prints are submitted to the ABA for a quality check.

The prints are then sent to the FBI and within 2 to 6 weeks the FBI sends a report directly back to the submitting bank or credit union.

As you may know, the FBI collects arrest and conviction information from Federal, State and local law enforcement agencies in each of the 50 States and therefore provides the most comprehensive database available. In addition to a more complete criminal records check, H.R. 1534 will result in faster turnaround time. Presently, in those States where we are required to submit fingerprints to the FBI through the State regulatory agencies, we wait from 2 to 6 months to receive results. Most State laws usually provide that a security officer can be hired and placed on duty pending the results of a criminal record check.

We also believe that a fingerprint check is the best and most complete check. Unfortunately, not all States require fingerprints.

Although H.R. 1534 now only provides for background screening for security officers and their immediate supervisors, I recommend H.R. 1534 be expanded to permit security companies to obtain FBI checks on candidates for manager positions as well. The security company managers set standards and control the security officers and their supervisors in many respects, and security companies should be able to access FBI criminal records for higher level job applicants.

I have focused my comments on criminal records checks under H.R. 1534. Employment reference checks are also critical to a useful and comprehensive screening process. H.R. 1534 provides that employment reference checks must be conducted for the prior 5 years, and that the employer certify to the State that the checks have been performed. In the United Kingdom, government-approved standards mandate a 10-year employment reference check for security officers.

We believe there is a compelling need for H.R. 1534. A very significant part of that need is the quick and complete benefit of a criminal records check through the FBI.

Thank you very much.

Chairman MARTINEZ. Let me start with you, then. It is apparent to me and it should be to a lot of people, and maybe hopefully we will make that apparent to Congress, that the growing industry and the growing number of people that are becoming dependent on private security guards for their safety in shopping malls, in apartment buildings, leads us to make the appraisal that there is an adequate background search on people.

We have seen a rise of incidences where inadequately trained security guards have reacted inappropriately or not at all. We heard testimony about one incident where the security guard sat around and watched someone shoot people trying to determine what he should do, when the programmed response if he had been trained properly would have been to call law enforcement; a very simple thing.

We have seen those who have had criminal backgrounds, felony convictions, obtain jobs as security guards and then commit a crime from the advantaged position of being a security officer. So there is no doubt in my mind it is needed.

We run into several problems with the bill, one being the reciprocity where we allow 90 days' work for a guard transferred from one jurisdiction to another. Those are things we can work out. I believe we have put into the bill where a State's requirements and standards should be met by that guard being transferred. The thing is that the real reason that brings about a big fear is that where one State, for example Florida, who has very stringent standards and training standards and certain minimums of training for people, that the required 8 hours that we have in the bill which is only meant to be a minimum to encourage a more stringent standard by the State, is too little.

We have one member of the committee with us today who has a concern about how much training can you receive in 8 hours to be able to do an adequate job. In your jurisdiction, the security officers that you are responsible for, what is a minimum amount of training?

Mr. COMSTOCK. Within Burns International, we have a minimum of 8 hours in the office prior to assignment and additional training based upon that assignment and the needs of that position. In many States, there are increased levels of requirements and in most we meet or exceed those increased levels.

Chairman MARTINEZ. We understand too as we have taken testimony, as we have visited guard companies, that there are different types of guards for different responsibilities. Yours probably runs the gamut from almost a paramilitary type of guard, which I am sure in those government contracts you have they set out standards for you to meet, is that true?

Mr. COMSTOCK. That is correct.

Chairman MARTINEZ. So when you have an extreme situation like that what is the requirement?

Mr. COMSTOCK. It is not unusual in a commercial nuclear power setting for the training to exceed the States' requirements for peace officer training; in other words, the security officers assigned to the facility have training in excess of what the local State requirement is for certified peace officers. That can exceed up to 15, 16 weeks.

Chairman MARTINEZ. It runs a gamut from 8 hours to 16 or 18 weeks?

Mr. COMSTOCK. That is correct.

Chairman MARTINEZ. When I visited Wackenhut and saw all the different types of manuals you had for the different types of training, I was impressed that almost every consideration was made for every type of security officer you might provide. What is the gamut of training—from what to what?

Mr. KNEIP. We value training highly and we have varying levels of security officers within our company, and some of our Federal contracts require many months of training. We have currently approximately 85 different workbooks on different subject matters that can be applied to various circumstances of security officer service, and you have, Mr. Chairman, a copy of that.

I think it is very important that training reflect the real needs of the clients and the circumstances of the job. We also have a minimum training requirement that would be satisfied by this bill, but very few of our employees are trained just to the minimum. It is

very important to understand who is the client working for, what the circumstances of service are and to add additional topics of training to guard at those locations.

Chairman MARTINEZ. Do you feel that in our bill, and understand that from the beginning we chose to set at least minimum standards in order to allow States the right to do what they felt was necessary for their particular situations—do you feel there is any reason why we should increase that in the bill?

Mr. KNEIP. Obviously, I think we would all like to see more hours of training. I think there are practical considerations there and given the fact that this is an excellent first step I think, with the exception of additional topics on first aid, I think the bill's minimums are adequate to begin with.

Mr. COMSTOCK. From my perspective, I think we have learned time and again in those States that have training standards 8 hours and above that by setting that standard we create a floor. Once that floor is created, the industry, clients and public expectations causes it to rise from there. The debate could rage for years on whether it was enough. The industry has shown when the floor is set, the rise will occur in it and the level of training standards required to meet individual jobs will occur from that basis. Where there is no floor set, there is no beginning.

Chairman MARTINEZ. One last question before I turn to Mr. Scott. How did your company handle the issue of interstate portability of registration?

Mr. COMSTOCK. We have a security officer and that happens frequently, especially in this area—they have responsibility to be licensed in each jurisdiction they may pass through and work in.

Chairman MARTINEZ. Do you believe it is adequately addressed in the legislation and sufficiently?

Mr. COMSTOCK. Yes, I believe that it is.

Chairman MARTINEZ. Thank you. Mr. Scott.

Mr. SCOTT. Mr. Kneip, I understand your training program was used as a model for North Carolina?

Mr. KNEIP. Yes, sir, it was.

Mr. SCOTT. Did they adopt your curriculum to apply to everybody else?

Mr. KNEIP. Yes.

Mr. SCOTT. How much training is that?

Mr. KNEIP. A minimum of 4 hours. The State set the standards and asked us to design the program.

Mr. SCOTT. If this bill is implemented, what kind of costs would small businesses have to incur to comply?

Mr. KNEIP. When a security officer is trained, obviously they have to be paid, and the ongoing wages for 8 hours would basically be one day's worth of additional pay. Obviously, there would also be additional overhead incurred for training professionals and training instructors as well as maintaining certain kinds of records. In all honesty, I don't have a quantified number for you, but personally I don't believe, given the risks of an untrained officer, that it is an insurmountable cost or something we don't have a right to expect.

Mr. SCOTT. Where would a small business train their employees?

Mr. KNEIP. In their own offices. They could avail themselves of opportunities with other professional training corporations. Many companies come to Wackenhut to be trained. We have no problem with that.

Mr. SCOTT. Do they pay for that training?

Mr. KNEIP. Yes, sir, a small fee.

Mr. SCOTT. Do they hire the people you have already trained?

Mr. KNEIP. Sometimes that happens too.

Mr. SCOTT. What kind of costs would the State incur to implement the plan?

Mr. KNEIP. The bulk of the costs would be in enforcement and we have expressed concern about that. States are undergoing tremendous budgetary problems and I think the additional enforcement personnel would create problems for the States. I think by imaginatively using industry boards, however, enforcement costs could be mitigated.

Mr. SCOTT. Do they charge fees in North Carolina?

Mr. KNEIP. No, they do not.

Mr. SCOTT. So the State picks up the full cost of the enforcement?

Mr. KNEIP. Yes, sir.

Mr. SCOTT. Mr. Comstock, do you have comments on training and costs to the business and to the States?

Mr. COMSTOCK. Yes. We have learned through the process of reviewing companies that we do business with, companies that we have acquired, that there is a cost of initiating training and creating that floor. We have also learned that security officers, like any employee, need to be trained and to be comfortable with that training to perform their job. We have learned that failure to train them for them to be comfortable causes them to turnover, and there is a cost in securing a new security officer.

In our estimates, the cost of replacing untrained officers doesn't come near the cost of training them the first time. The cost of recruiting and screening new officers does not come close in my mind; it exceeds the amount necessary.

Mr. SCOTT. And cost to the State?

Mr. COMSTOCK. From my view the cost to the State is mainly administrative in the processing and I view it in the \$2 to \$3 processing range.

Mr. SCOTT. Per employee?

Mr. COMSTOCK. That is correct.

Mr. SCOTT. For that fee in that level it could pay for the enforcement of the program?

Mr. COMSTOCK. It can pay for the enforcement of the program. Generally it is woefully short in the States we have been exposed to. It doesn't match it. It pays basically for administering the protection.

Mr. SCOTT. But not enforcement?

Mr. COMSTOCK. That is correct.

Chairman MARTINEZ. When you consider for companies any way, the cost of litigation when they are sued because they provide inadequate service and the false impression that people were protected by the security guards that they provided, what would that compare?

Mr. COMSTOCK. There is no question about it, there is no replacement for doing it right the first time and training the person to do the job right the first time. The rest of the cost builds on right past it. The cost of the turnover that I mentioned earlier, advertising in a newspaper and dealing with them and screening them when they come in before you get to the training process, those costs get cumulative and exceed it. Dealing with it after the fact that you have an untrained officer—it builds up.

Chairman MARTINEZ. It's like the advertisement, pay me now or pay me later. The inference was if you don't do it right the first time, it will cost more in the long run. Thank you for testifying.

Our next panel is John Chuvala and Mr. Robert Shellow. Dr. Chuvala is an associate professor from the Law Enforcement Administration of Western Illinois University, Macomb, Illinois. Mr. Robert Shellow is president of IMAR Corporation, International Association of Professional Security Consultants from Bethesda, Maryland. Dr. Chuvala.

STATEMENTS OF JOHN CHUVALA, ASSOCIATE PROFESSOR, LAW ENFORCEMENT ADMINISTRATION, WESTERN ILLINOIS UNIVERSITY; AND ROBERT SHELLLOW, PAST PRESIDENT, INTERNATIONAL ASSOCIATION OF PROFESSIONAL SECURITY CONSULTANTS, PRESIDENT, IMAR CORPORATION, ACCOMPANIED BY IRA S. SOMERSON, MEMBER, BOARD OF DIRECTORS

Dr. CHUVALA. Thank you. Good morning.

I want to first thank the Chairman and the committee for allowing me the opportunity to relate my comments and thoughts regarding this proposal and once again thank you for the opportunity and putting forth this proposal, because I think it is much needed.

This bill represents a good start in the direction of regulating security officers. My experience is that of a practitioner, teacher and trainer and member of various committees with the American Society for Industrial Security.

Today, I will comment on the following topics: Why should there be standards, background checks, content and length of the training, how quickly could the rules be put into effect in the various States, the differences between the proprietary and contractual security officers, what should be done to qualify to be put on the job or on post, and other types of screening that could be made available.

As to why we should have standards, even with minimum standards there will still be a great disparity between States because some States will exceed the standards and there will still be those that meet only the minimum standards set.

There may be 50 different policies. This is one reason that standards and legislation is needed. In addition, various studies and reports over the last 25 years have recommended that more training be provided. I refer to the report of the Task Force on Private Security in 1976, National Advisory Committee on Criminal Justice Standards and Goals, the Rand report of 1971 and the Hallcrest reports of 1985 and 1992. The industry for whatever reason has not regulated itself well.

We must also discuss another reason for training having to do with negligence. With litigation reaching epidemic proportions, it would be foolhardy for a person not to be concerned with proper hiring, training and supervision of employees. Some States don't have requirements for screening and training at all. Part of the security officer mission is protection of people, property and information. This is unacceptable.

With regard to background investigations and checks, briefly, I would say that I don't think that there is anybody who would have a problem with doing those. The problem seems to be sometimes doing them fairly quickly. There have been numerous instances, and this has been discussed, where people have been put on the job and a background has not been done or not done quickly. A couple of instances come to mind where paperwork was in transit and sent back and forth three or four times and the person had a sexual assault background and committed rapes in the process before it was found out.

Long delays could be costly. If a person commits a crime while paperwork is being processed, it is not acceptable. That would apply to people both in unarmed and armed posts.

Contents and length of training. This bill is a good start towards satisfying the need for legislation. More emphasis should be put in the areas of public relations, interpersonal skills, report writing, interviewing, conducting investigations, liability issues and emergency procedures.

I have reviewed various programs in other countries and have submitted materials and articles I have written on the topic of training and comparing the United States, Australia, Canada and New Zealand. I have found that training in other countries is ahead of us.

New Zealand, Australia and Canada are putting forward bills in 1993 to have a minimum of 40 hours of training. I know that we are dealing with minimal standards here, but I would think that the training requirements don't go far enough and I would like to see more. This is based on practical experience, not just academic experience.

The question arises as to how long it would take to put these rules into effect in various States. Illinois I can comment on.

In the administration of these programs, if they were to be under the auspices of police training boards there would be a staff already in place and it probably wouldn't take long to put into effect; I would guess within 6 months. However, if a new licensee agency were to be set up separately, we would have to find training personnel and staff to man it and it would probably take much longer to set up, probably conservatively 1½ to 2 years.

The question is where will the staff come from and we must also be concerned who will be doing the training and monitoring in addition to which the training board. Whatever route you decide to take, would they only be restricted to making recommendations or would they have enforcement capabilities, or every time there was a problem would they have to refer to the courts for adjudication?

Proprietary and contract. Discussion has surfaced concerning the training of proprietary and contract personnel. The Hallcrest report sponsored by a grant by the National Institute of Justice

stated that proprietary personnel receive three times as much preassignment training and five times as much on-the-job training compared to contract employees.

Mr. SCOTT. Say that again.

Dr. CHUVALA. Proprietary personnel usually receive three times as much preassignment training and five times as much on-the-job training compared to contract employees. The amount and content of some programs should be looked at as the bill is expanded upon. To qualify to go on the job, I feel that a person should not be permanently assigned until after completion of preemployment screening, training and licensing is accomplished. This causes a delay, I am aware, but I would think it would help to rule out accidents from occurring, people slipping through the cracks.

This bill will help to meet the great demands being put upon the industry to deliver a quality product and service. If passed, this bill will probably have the effect of eliminating the marginal companies and those that are not committed to quality and service. I think that is probably something we would all be looking for.

As far as another type of screening process that I have not heard much comment on today, I wanted to mention the concept of drug testing. Various reports say that anywhere between 10 and 20 percent of the American workforce at any given time is using drugs on the job. And it might be higher, depending on what part of country you are from or what city you are in.

The Federal Government recognized the importance of preemployment drug screening with the passage of the Drug Free Workplace Act of 1988. Surveys done by the Department of Labor show that companies with 1,500 employees or more, roughly 43 percent of them have some sort of drug program going on and 50 percent of the companies with 5,000 or more employees have some sort of drug program going on. The Gallup survey showed a lower amount.

The point here is that roughly 10 to 15 years ago about 10 percent of the companies had preemployment drug screening and we are probably reaching the 50 percent total today, and by the year 2000, 70 to 80 percent of companies I think will have preemployment drug screening. It could be looked at further down the road to add to the bill after it is passed. Thank you.

Chairman MARTINEZ. Thank you.

[The prepared statement of Dr. Chuvala follows:]



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To: Committee on Education and Labor
Subcommittee on Human Resources

June 17, 1993

From: John Chuvala, CPP
Associate Professor
Department of Law Enforcement
Western Illinois University
Macomb, Illinois 61455

Re: H.R. 1534, the Security Officers Quality Assurance Act of 1993.

This proposal represents a good start in the direction of regulating security officers.

Input needs to be acquired from various sources to include the contract companies, proprietary security personnel, academic personnel, security consultants, and various other practitioners.

My experience is that of a practitioner, teacher, trainer, and member of various ASIS (American Society for Industrial Security) committees. This is a professional organization with over 25,000 members worldwide.

Even with minimum standards there will still be a great disparity between the states because there will be some states that exceed the requirements greatly and there will be those that meet only the minimum that is set. There may be 50 different policies.

This is one of the reasons that standards and legislation is needed. In addition, various studies and reports over the last 25 years have recommended that more training be provided. I am referring to the Report of the Task Force on Private Security in 1976 (National Advisory Committee on Criminal Justice Standards and Goals), the Rand Report of 1971, and the Hallcrest Reports of 1985 and 1992.

We must also discuss another reason for training. This has to do with negligence. With litigation reaching epidemic proportions it would be foolhardy for a person not to be concerned with proper hiring, training, and supervision of employees. There are some states that do not have any requirements for screening or training. This is shocking because part of the security officers mission is the protection of people, property, and information. I submit that is unacceptable.



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This bill is a good start toward satisfying the need for legislation. More emphasis should be put in the areas of public relations, interpersonal skills, report writing, interviewing, conducting investigations, and liability issues.

A question arises as to how long it would take for these rules to be put into place in the various states. If the administration of these programs were to be under the auspices of the police training boards then there would already be a staff in place. A new licensing agency could be set up in each state. This would take a much longer period of time to set up to work effectively. The question here is where will the staff come from? We must also be concerned with who will do the training?

Discussion has surfaced concerning the training of proprietary personnel and contract personnel. Proprietary personnel usually receive 3 times as much preassignment training and 5 times as much on the job training compared to contract employees. (Hallcrest, 1985). I point this out because the amount and content of some of these programs should be looked at as this bill is revamped and expanded upon.

I feel that a person should not be permanently placed on post until after completion of preemployment screening, training, and licensing is accomplished.

This bill needs much work in order to meet the great demands that are being put upon the industry to deliver a quality product and service. If passed, this bill will probably have the effect of eliminating the marginal companies and those that are not committed to quality and service.

I have attached copies of articles that I have written concerning training in the United States and other countries and the types of topics that should be included.

The Role of Regulation

BY JOHN CHUVALA III, CPP, AND
ROBERT J. FISCHER

Until the last decade, few security officers received adequate pre-job or on-the-job training. Regulation of the industry was, and for the most part still is, nonexistent in the United States. However, in other countries, such as Australia, Canada, and New Zealand, the security industry has been subject to various federal training recommendations and standards.

When the federal Task Force on Private Security published its findings on the U.S. security industry in 1976, it in essence substantiated an earlier Rand Corporation study of 1968, which found that private security was an open and unregulated giant. Both studies raised questions concerning the need for training of security personnel. In an article published last year, "Thugs in Uniform," *Time* drew additional focus to the security industry.

Although the private security task force recommended that contract security personnel complete a minimum of eight hours of formal preassignment training, as well as a basic training course of at least thirty-two hours within three months of assignment, surveys from the past ten years have found that this standard is far from being implemented. Only 50 percent of the states have any imposed training standards. Even in those cases, regulation by the states is at best limited and heterogeneous.

Most members of both the proprietary and contract service sectors value training. However, the problem in the contract service arena is compounded by competitive pressures of the marketplace. The onus for low training standards must be borne by employers whose overriding consideration in selecting a security service is often the lowest bid.

Still, most security executives know that proficiency in security is largely a product of the combination of experience and a thorough training program

designed to improve the officer's skill and knowledge. The merits of training are reflected in the security officer's attitude and performance, improved morale, and increased incentive.

Since the industry has not been able to self-regulate training, *The Hallcrest Report II: Private Security Trends 1970-2000* reiterates the need for mandatory minimum training standards. The original Hallcrest Report (*Private Security and Police in America: The Hallcrest Report*) recommended a balanced approach between preemptive state legislation and industry-imposed standards.

Great Britain. Industry-imposed standards appear to have worked in Great Britain, where more than 90 percent of the security industry is regulated through the British Security Industry Association (BSIA). The BSIA has adopted standards pertaining to personnel security, wage levels, supervision, training liability insurance, and physical facilities.

Canada. The Canadian General Standards Board is currently proposing that a national standard for unarmed security personnel be set up across the country. The board, which is composed of twenty-four individuals with backgrounds in a variety of fields, wants to create uniform standards for Canada. These standards would require a mandated forty hours of training for security officers and thirty-six hours for supervisors.

The recommended training for security officers is as follows:

- Professionalism and public relations—2 hours
- Duties and responsibilities (general)—4 hours
- Legal authority, duties, and responsibilities—6 hours
- Alarm systems and physical security controls—2 hours
- Traffic control—1 hour
- Explosive devices and bomb threats—2 hours
- Personnel and material access con-

trol devices and technology—3 hours

- Report writing, notetaking, and evidence—3 hours
- Fire detection, prevention, and safety—6 hours
- Patrol procedures—4 hours
- Labor relations—2 hours
- Relations with public law enforcement authorities—1 hour
- Administrative, instruction, and evaluation of candidates' knowledge—4 hours

Each of Canada's ten provinces currently has its own standards. The contract bid process can, of course, require training levels of forty hours or more. This seems to be the situation for most firms that hire contract agencies.

In addition, all federal contracts require a minimum of forty hours of training, and some in-house operations may need to meet the same standards by law. If the board is successful in its efforts, the current patchwork of regulation would be replaced with the uniform standards for all security personnel.

Australia. Australia also has a system of regulation where each state controls standards. Security personnel are thus regulated at the provincial level. The classification of security officer has never been regulated by standards. The officer classification includes individuals assigned stationary positions, such as door security officers; those carrying money; and security personnel with limited public contact.

The crowd controllers classification is for those individuals who have public contact. Section 19H(B) of the Private Agent Amendment Act of 1990 specifies some basic training for crowd controllers. However, the provision does not apply to all states. Armed security personnel are regulated by the Firearms Act, which requires specific training as well as firearms registration. All current regulations concerning this subject are administered and monitored by the Department of Education.

Legislation is under consideration in Australia that would require standardized training for all unarmed security personnel. Training recommendations for crowd controllers and general security personnel are as follows:

- **Crowd controllers** (40-hour course) would include the role of the crowd controller, principles of security, personal presentation, the operational scene, personal expression, interpersonal skills, group skills, and situation analysis. Also included would be situation management, the crime scene, liaison with law authorities, security post operations, incident reporting, structure of the law, acts affecting the crowd controller, and offenses under the law.

- **Security officers** (16-hour course) would include private agents; report writing; response to emergencies; duties of stationary officers, foot, and mobile patrol; fire precautions; radio discipline; and legal aspects. Also included would be definitions related to security, crime prevention, operational procedures, and use of firearms.

New Zealand. The New Zealand Qualification Authority, working through the Ministry of Education, has recommended a national standard for security personnel called the Professional Security Officer Initial Training Qualification Program. The program mandates forty hours of training and examination. While the authority hopes to see the program enacted as law in 1993, there is already high compliance with the standard.

The American Society for Industrial Security (ASIS) membership in New Zealand has accepted the following training qualification program outline. Approximately 60 percent of the security industry in New Zealand is involved with ASIS.

Besides setting standards for initial training, part of phase one in a three-phase project, the New Zealand government offers advanced certification that qualifies individuals for higher pay. The second level certification at phase one requires the completion of 1,000 hours of on-the-job training followed by another examination.

The second phase is directed toward security management and has a goal of management certification. The program may be thought of in terms of an associates' degree in security since it will require approximately two years of study and will be offered in conjunction with various educational institutions. The third phase includes plans for

a diploma in security management. This program equates with approximately three to four years of college-level study.

The Initial Training Qualification Program for New Zealand would review the New Zealand Security Industry Association (NZSIA) initial training and development process, NZSIA standards and codes of practice, laws and regulations, professional requirements, the security officer's role, types of assignments, tasks, duties, and report writing.

In addition, the program covers security's role in fires and floods, criminal damage, theft, earthquakes, confidentiality and privacy, uniform standards, equipment, officers and patrol dogs, patrol techniques, security hazards, vehicle patrols, emergency action, bomb threats, safety signs and hazard symbols, customer relations, use of force, legislation, and powers of arrest.

ALTHOUGH THE SECURITY INDUSTRY in the United States lacks regulation, two notable efforts to standardize security officer training deserve mention. These proposals will probably set the stage for any legislation that comes before the 103rd Congress.

The Gore bill. The first of these efforts came in 1991 from Vice President (then senator) Albert Gore, Jr. Senate Bill 1258 proposed minimum standardized training for essentially all security personnel, although it would only be mandatory for those involved in government security operations either directly or as contractors. The Gore Bill proposes training in the following areas:

- Fire protection and fire prevention
- First aid
- Legal information relevant to providing security services
- Investigation and detention procedures
- Building safety
- Methods of handling crisis situations
- Methods of crowd control
- Use of equipment needed in providing security services
- Technical writing for reports

The bill mandates examination and commensurate certification procedures to ensure the quality of the basic training, but specifics are not spelled out.

The Martinez bill. A second initiative was made in 1992 under the direction of Representative Matthew Martinez (D-CA), House Bill 5931. The Mar-

tiniz package is much more specific than the Gore bill.

The Martinez proposal provides for a minimum of eight hours of basic classroom instruction and successful completion of a written examination, plus a minimum of four hours of on-the-job training. Individual states would set standards for individuals or entities conducting the classroom instruction.

The bill also states that the classroom portion of the training shall include but may be expanded beyond (at the discretion of the instructor or state licensing agency) the following:

- Legal powers and limitations of a security officer, including law of arrest, search, seizure, and use of force
- Safety and fire detection and reporting
- When and how to notify public authorities
- Employers policy, including reporting incidents and preparing an incident report
- Fundamentals of patrolling
- Department and ethics
- General information, including specific assignments and equipment use

Both bills would have controlled unarmed security personnel. Additional measures would need to be considered for armed security personnel.

Although both bills showed movement in the right direction, they would not have led to uniform standards. Australia, New Zealand, and Canada are attempting to develop uniform standards for their countries. The United States, always sensitive to states' rights, is suggesting a minimum standard that states will be free to enhance.

Some states will enact only what is mandated, while others will take the effort seriously and develop comprehensive security training programs. The United States will thus have fifty-plus security programs, a situation that parallels police training standards.

Neither bill clearly defines who will be responsible for each program—a second concern. Two obvious possibilities exist based on prior federally mandated programs for law enforcement. Other possible approaches are not discussed, since the pattern has already been established.

The first possibility would be to use existing police training boards. This approach seems logical since the boards have extensive experience in developing and monitoring current police licensing and certification programs.

Still, the potential for political maneuvering is present. In addition, police training boards have enough difficulties carrying out their present mandates, given limited budgets and small staffs. The politics of the situation would require additional funds for these agencies to administer an expanded program effectively.

A second option would be to use current licensing boards, where much of the present training is recorded, or create an entirely new department. The problem is that, given past experience with state licensing boards, limited funding often hampers a board's ability to monitor its own programs.

While both bills include proprietary as well as contract security under their umbrella, the impact on proprietary systems would be minimal. As noted in most of the studies on private security, proprietary security operations usually exceed the minimum training standards as suggested in the task force report.

Still another concern is the impact of mandated standards on smaller firms. Larger firms have the resources to provide training. Small operations may be forced to sell out to larger competitors, leaving the contracting business in the hands of the large- and medium-sized agencies.

Currently, at least two security officer programs exist that would specifically meet the standards proposed by the two bills. One is the Certified Protection Officer (CPO) program offered by the International Foundation for Protection Officers (IFPO) of Bellingham, Washington. The second is the Effective Security Officer Training Manual presented by Practical Education Services of Akron, Ohio.

IT IS INTERESTING TO NOTE THE PARALLELS among the various efforts to bring security training under some type of centralized control. The topics covered in all countries appear to be consistent, although the United States does not propose a standardized national approach.

More emphasis should be placed on liability, public relations, negligence, and intentional torts. Still, Canada, Australia, New Zealand, and the United States are working to improve a vital service.

In the United States, although security organizations have taken the initiative to set up training courses and certification, it is obvious that industry-controlled standards are not going

to be forthcoming soon. The marketplace will continue to seek the lowest bid over quality security as private security's role expands.

The security field already employs more than 1.1 million individuals, and growth far outstrips the fiscally troubled public sector. In fact, private security is supplementing and in some cases replacing public law enforcement. It is far more likely that the average citizen will come in contact with a private security officer in their daily activities than with a police officer. The demand for standards can be expected to increase along with the public's awareness of private security. ■

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Negligent Hiring, Training, Supervising, and Retention of Employees in Private Security

John Chuvala III and Julie A. Gilmore

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An accepted fact is that employers of security personnel are liable for their employees' negligent or intentional acts committed within the scope of their employment. Employers may also be found negligent for the manner in which they hire, train, and supervise their employees. Contractors of security services may also be legally liable for errors committed by the employees of the security provider or be found negligent in hiring or supervising the security provider. The legal theories and relevant court cases that illustrate these liability issues are discussed in the following companion paper. In this first paper, practical guides are given to aid contractors of security and security providers in hiring and training security personnel.

Keywords: Negligence; employer; security; liability; contractor

Management's Responsibility for Security

It is every manager's responsibility to solve the problems of internal and external crime. Safety and loss prevention should be every employee's concern.

The responsibility to reduce losses and promote safety are necessary for the following reasons: First, a responsibility exists to the owners and stockholders to increase profits and return on investment. Second, managers owe it to the clients and customers to try to keep costs down and provide for their safety. Finally, a responsibility is present to one's fellow employees to provide a work environment where they can be free from becoming the victim of a crime and be free from accidents. Also, by cutting losses and increasing profits, employees will be able to keep their jobs and receive pay raises and promotions (Chuvala, 1991).

Loss prevention managers can be held accountable for negligent acts by their employees. Of course, this means that the company is also at risk.

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Papers

Failure in the hiring process, training, and supervising of employees and retaining people who should be dismissed are all ways that a company can invite trouble.

Hiring

A number of steps may be taken that may help insure that qualified and "low-risk" employees are hired. Low-risk employees are those who have a good track record and have been determined to be less likely to steal from the company or become involved in other types of costly undesired behavior. Other types of proscribed behavior beside theft include tardiness, drinking or drug usage on the job, loafing, low production, accidents, or being likely to become involved in some type of action that would lead to litigation. All these problems can lead to loss of profits.

Another reason to vet applicants is to assure that the organization obtains the best-qualified applicant for the job. Some problems that hiring authorities have when hiring are as follows:

- Hiring people who seem to have so much in common with their interviewers.
- Settling for mediocre candidates, because of pressure to fill the position, politics, or the feeling that one just cannot afford the best.
- Not probing for limitations, lies, or details.
- Talking instead of listening while conducting preemployment interviews.
- Overselling the job.
- Hiring friends or repaying favors (Fischer, 1988).

In addition to an in-depth interview, a thorough background investigation should be enough to weed out applicants who may pose problems or are unqualified. The following are possible preemployment screening tools (Layne, 1988):

- Application form (very thorough and as long as needed)
- In-depth interview
- Criminal history check
- Employment check
- Investigation of personal references
- Driving record check
- Workers' compensation check
- Physical exam
- Oral exam (security management personnel)

The following types of checks may be appropriate:

- Drug screening
- Polygraph, as permitted under current legislation
- Psychological, such as the MMPI or paper-and-pencil preemployment screening aids

Consultation with the legal department should be undertaken.

Training of Security and Nonsecurity Personnel

The merits of good training are numerous: Improved safety, compliance with regulations and standards, reduction of liability, higher productivity, efficiency, economy, improved quality, enhanced opportunities for advancement, and greater effectiveness are some of the benefits. These and others contribute to a worker's comprehension, growth, and sense of value (Mellott, 1991). A needs assessment study should be done to determine how much and what type of training is necessary.

A study by Hollinger and Clark (1983) concerning theft and deviant acts by employees found that the best predictor of theft and deviance is the employees' perceived chance of being detected. The employees also indicated that they had little knowledge of organizational controls. The following recommendations were made:

1. There should be a clear policy regarding theft behavior of employees.
2. Policies must be disseminated continually throughout the workplace.
3. Policies must be utilized to sanction deviant workers when they are caught.
4. Punishment should be communicated generally for deterrent effect.
5. Punishment and the rules should be enforced for all of the personnel in the organization.

Annunciating policies and procedures to personnel is not sufficient. Explaining each one is necessary. In addition, there should be a way to measure the training to determine what the employees learned or what they might not have understood; this would consist of a test. Feedback is necessary; a questionnaire would be advisable.

Supervisors

Supervisors should be trained in how to deal with problem employees and in motivation techniques. In

In addition, supervisors should review every detail of a job with an employee and then have the employee show that they understand the job by actually demonstrating the procedures. This should all be documented. Managers should be trained in all aspects covered in this paper.

Rules

Rules must be explained and understood by all employees. This didactic process should be documented and placed in employees' training files. The following should be covered:

- Employee conditions statement
- Probationary period
- Misrepresentation or deliberate omissions on reports or application
- Requirement for an extensive background investigation during probationary period
- Management determines shifts, hours, and schedules
- Falsification ground for dismissal
- Job description with the note that duties described are not necessarily all inclusive and can be amended
- Absenteeism (how many sick days, personal days, call-offs, etc.)
- Substance abuse policy. (Why the policy, how it's done, who is affected by the policy, what happens to violators, testing procedures.)

Evaluations

These are needed to chart the course for an employee to enhance his or her performance and career path advancement. They should be done periodically, usually on an annual, semiannual, or quarterly basis. They should be done as a helping function and be goal-oriented.

Documentation

Cite every incident of employee misconduct in the event that it is needed for future reference. This would

include all types of deviant activity, including theft, tardiness, drinking, and drug abuse, including document sanctions that were taken. Positive documentation should also be kept (awards, honorable mentions, and promotions).

Discipline

Whatever actions are taken should be noted and retained. Discipline should be timely, fair, adhere to due process, and follow the progressive disciplinary process. Everyone should be treated the same. If there is a contract, provisions must be respected.

Other Suggestions

All training of an individual should be completed before going on the job.

No person should be allowed on the job without a completed background investigation.

All personnel in security work should be required to be licensed or trained by a well-critiqued program.

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Julie A. Gilmer is associate professor in law enforcement administration for Western Illinois University. Ms. Gilmer has a juris doctor from Hamline University School of Law and is licensed to practice law in Iowa and Illinois. Ms. Gilmer practiced general law for 5 years in Iowa and was a judicial magistrate in Iowa for 4 years, prior to joining WIU in 1988.

Chairman MARTINEZ. Dr. Shellow.

Dr. SHELLOW. Thank you, Mr. Chairman.

I am Robert Shellow and I have been designated by my colleagues to present the views of the International Association of Professional Security Consultants on the Private Security Officers Quality Assurance Act of 1993. I have asked Mr. Ira Somerson, a member of our board of directors, to assist in answering questions and probably to keep me honest as well.

Our membership comes from 11 countries and almost all of the States. We are independent security management consultants with no current ties, financial or otherwise, to the guard industry. I might also say that membership in our association precludes any financial or fiduciary interest in products or security services. We are strictly consultants, much like consulting engineers.

This is not to say that we lack experience in that arena. Many members have served as security managers in Federal, State and local governments, directors of corporate security departments as well as owners and managers of contract security companies. A number of us appear regularly in State and Federal courts as expert witnesses in security matters.

During the past several years, the association has held discussions and debates on standard setting for the guard services industry, and in our last, the ninth annual meeting this spring, we devoted a special session to reviewing H.R. 1534. These remarks come directly from those deliberations and represent the suggestions endorsed by the association as a whole.

We certainly support H.R. 1534 in most all its provisions and see it much as Congressman Scott did on Tuesday during the hearing, "not as a solution but as a hope." In the spirit of hope, we offer comments and suggestions in three areas: selection, training and licensure.

Selection. We see effective selection as a fundamental—the prerequisite to achieving quality security services for the general public.

Opening up the National Crime Information Center, the NCIC database to the private security industry for the limited purpose of applicant screening is a good first step. It extends the reach of background investigations to the entire Nation. However, we are afraid it will swamp the FBI with a volume of search requests it cannot handle with present resources and personnel. A large volume of queries coupled with a corresponding increase in fingerprint matches is likely to incur more unacceptable delays than presently is the case.

In our testimony on the Senate bill, S. 1258, which died in the last Congress, we recommended that FBI field offices be supplied with special units devoted to conduct NCIC and fingerprint searches on security officer applicants. Some initial budgetary support might be required for start up; though the service should be entirely self-supporting with fees from security entities on a pay-as-you-go basis.

We are concerned that people who are able to mask severe psychological disturbance, psychopathic or sociopathic character disorders can slip through the application process. Though we fully support the intent of the Americans with Disabilities Act, we do advo-

cate amending the ADA to exempt law enforcement and security services personnel from the prohibition against preemployment psychological screening.

Training. We are pleased to see that no one testifying so far has accepted the 8 hours of classroom and 4 hours of field training as anywhere near adequate to cover the full range of tasks. In fact, it is not possible to do justice to the nine topical areas mandated by the legislation in such a short period of time. It is a start, however, that I think we can live with for the time being. I would like to see not one but a set of standards for various levels of security requirements.

As was pointed out about by Mr. Keating and Mr. Fink and today by the two gentlemen from the guard industry, there is a world of difference between doing clock rounds in a warehouse and handling intergenerational conflict in a regional mall. If this concept cannot be incorporated into the present bill, at least the States should be encouraged to develop such a training model.

We also suggest that States be required to license security trainers, training programs and dedicated security training schools, as well as foster the development of a regional security training center that could satisfy the training requirements of several adjacent States.

Licensure. Having a security manager be the licensee for a proprietary security department is not consistent with what the bill requires of contract guard companies. In H.R. 1534, a guard company, not its manager, is the licensee and it is the corporate body that is exposed to any liability under the law.

The same should hold true for in-house security. The parent corporation should be the licensee, the manager or corporate security director registered with the State like all other security personnel. In other words, whoever writes the paychecks for the guard should be the licensee just as it is with the security companies. If a State certifies trainers and there is an in-house training program, then the security manager should be a certified trainer as well.

The International Association of Professional Security Consultants has been struggling to set up standards in this critical segment of the security industry, some since the early 1970s. Again, we welcome Congressman Martinez's and Owens' leadership in taking on this difficult and important issue.

Thank you for the opportunity to present our views today.

Chairman MARTINEZ. Thank you, Doctor.

[The prepared statement of Dr. Shellow follows:]

STATEMENT OF DR. ROBERT SHELOW, PRESIDENT, IMAR CORPORATION

My name is Robert Shellow and I have been designated by my colleagues to present the views of the International Association of Professional Security Consultants [IAPSC] on the "Private Security Officers Quality Assurance Act of 1993."

Our membership comes from 11 countries, as well as almost all of the States. We are independent security management consultants with no current ties, financial or otherwise, to the guard industry. This is not to say that we lack experience in that arena. Many of our members have served as high level law enforcement and security managers in Federal, State and local governments, directors of corporate security departments as well as owners and managers of contract security companies. A number of us appear regularly in State and Federal courts as expert witnesses in security matters.

During the past several years, the association has held discussions and debates on standard setting for the guard services industry; and in our last, the ninth annual meeting this spring, we devoted a special session to reviewing H.R. 1534. The remarks about to be presented here come directly from those deliberations and represent suggestions endorsed by the association as a whole.

We certainly support H.R. 1534 in most all its provisions and see it much as Congressman Scott did at the Tuesday hearing, "not as a solution but as a hope." In the spirit of hope, we offer comments and suggestions in three areas: Selection, Training and Licensure.

1. SELECTION

We see effective selection as a fundamental—the prerequisite to achieving quality security services for the general public.

Opening up the National Crime Information Center [NCIC] database to the private security industry for the limited purpose of applicant screening is a good first step. It extends the reach of background investigations to the entire Nation. However, we are fearful that this Act may well defeat its purpose by quickly swamping the FBI with a volume of search requests it cannot handle with its present resources and personnel. A large volume of NCIC queries coupled with a corresponding increase in fingerprint matches is likely to incur even more unacceptable delays than presently is the case.

In our testimony on Senate bill, S. 1258, which died in the last Congress, we recommended that FBI field offices be supplied with special units devoted to conduct NCIC and fingerprint searches on security officer applicants. Some initial budgetary support might be required for startup; though the service should be entirely self-supporting with fees from security entities on a pay-as-you-go basis.

Also pertaining to the problem of selection, we are deeply concerned that people who are able to mask severe psychological disturbance, psychopathic or sociopathic character disorders can slip through the application process. Though we fully support the intent of the Americans with Disabilities Act, we do advocate amending the ADA to exempt law enforcement and security services personnel from the prohibition against preemployment psychological screening.

2. TRAINING

We are pleased to see that no one testifying so far accepted the 8 hours of classroom and 4 hours of field training as anywhere near adequate to cover the full range of tasks carried out by various types of security officers. In fact, it is not possible to do justice to the nine topical areas mandated by the legislation in such a short period of time. It is a start, however, that we can live with for the time being. IAPSC would like to see not one but a set of standards for various levels of security requirements. As was pointed out about by Mr. Keating and Mr. Fink there's a world of difference between doing clock rounds in a warehouse and handling inter-generational conflict in a regional mall. If this concept cannot be incorporated into the present bill, at least the States should be encouraged to develop such a training model.

We also suggest that States be required to license security trainers, training programs and dedicated security training schools, as well as foster the development of regional security training centers that could satisfy the training requirements of several adjacent States.

3. LICENSURE

Having a security manager be the licensee for a proprietary security department is not consistent with what the bill requires of contract guard companies. In H.R. 1534, a guard company, not its manager, is the licensee; and it is the corporate body that is exposed to any liability under the law. The same should hold true for in-house security. The parent corporation should be the licensee, the manager or corporate security director registered with the State like all other security personnel. In other words, whoever writes the paychecks for the guards should be the licensee just as it is with the security companies. If a State certifies trainers, and there is an in-house training program, then the security manager should be a certified trainer as well.

The International Association of Professional Security Consultants as individuals and collectively has been struggling to set up standards in this critical segment of the security industry. Again, we welcome Congressman Martinez's and Owens' leadership in taking on this persistent, difficult and important issue. Thank you for the opportunity to present our views here today.

Chairman MARTINEZ. One of the things you touched on is the swamping of the FBI with requests for background checks. Right now they are doing it for the whole banking industry at a cost of \$42 per background check. I don't know if the banking industry does this for every employee. I would imagine not. I would imagine the same thing with the security guards; that they wouldn't do it for every single employee.

For example, if a young man joined the Marine Corps and got out in 3 or 4 years and he has a clean record, honorable discharge, and he comes right to work for a guard company, there is very little reason to do a background search on him. He has just come out of honorable service. They may do other psychological testing of this individual, but I would think that there would be a certain amount of judgment used in—let's say, a guard was hired on to one company from another company, who had previously had a check when he went to work for another guard company, he just transferred from one guard company to another. I imagine that where we might be concerned with new numbers of people that are going to have this background check done with the fee that the FBI has established for it, I would think the fee covers the cost and thereby being able to expand personnel if they need to by the fact that the fee is covering the cost.

Mr. SOMERSON. I am Ira Somerson. Twenty-three years ago I began to study this in the Commonwealth of Pennsylvania. The cost then was \$17. The answer is numbers. For the BAI, the banking industry people secured nowhere near reached the numbers of this industry. With turnover and with the numbers that won't be acceptable, two or three checks for every one position, you will find a swamping of numbers to the FBI. That will also affect costs. It will be a different proportion I think than what the banking industry has experienced. I think it is manageable but I think the costs are more significant than what they currently are for the banking industry.

Chairman MARTINEZ. I imagine if the costs need to be expanded, the government is not in the business of giving away money, so they ought to be able to increase the cost.

Mr. SOMERSON. I think that can be done.

Chairman MARTINEZ. You recommend psychological screening, which everybody agrees is costly. I have two questions: What is that cost and is there general agreement in the industry that the results are worth the cost?

Mr. SHELOW. No. Incidentally, I am trained as a psychologist and I am somewhat familiar with the screening devices that are used. Unfortunately, there are very few that are effective, if any actually, that have been demonstrated as having sufficient predictability, predictive power, if you will. I think this is an area of badly needed research in terms of instruments.

Right now I think an intensive or say more than just a casual interview by somebody that can spot the presence of severe psychological disturbance probably would have to do. Under the Americans With Disabilities Act, this sort of screening cannot be done prior to offering a person a job. You have to offer the person a position before you can begin to ask them about anything regarding their background. That is why we recommended that this particu-

lar feature of that legislation be looked at and perhaps changed specifically for the law enforcement and security industry.

Chairman MARTINEZ. Thank you.

Dr. Chuvala, you and your associate, Dr. Robert Fischer, have done quite an extensive study of the area of standards for security officers. Could you give us or identify the major cause of breakdown in the security system? Is it the lack of training or planning or what is it that really is what is more likely to result in a cause of a problem?

Dr. CHUVALA. As studies have indicated over the years, it would be lack of training, not enough training, and sometimes the training that is given is in error. They like to make—sometimes people differentiate whether it is arrest or stop and detention. We only stopped them for half an hour and took them in the back room. It wasn't an arrest. The courts might feel differently. Can you convince 12 jurors that what you did was reasonable?

You have to have refresher courses every year or so. Laws change. In many States, Illinois for example, has a separate law set up for retail environments and shopping where you can stop somebody for a reasonable period of time to ascertain if they have bought what they are taking out. The trainers themselves either aren't certified or qualified. I think qualifying them would go a long way, registering and licensing them would go a long way toward remedying the situation.

Chairman MARTINEZ. A while back there was another piece of legislation I authored when I was in the State legislature that would require training and the opposition yelled loud and clear that there weren't sufficient training programs or facilities, et cetera, and instructors. Would you believe that in this industry there are sufficient facilities and training programs and places to train these people?

Dr. CHUVALA. That is kind of a yes or no answer. There are some very well-qualified people out there. I think we could do well to have more. It wouldn't hurt. More is not always better, but I think in this case it would be.

With regard to the courses, the outline in the bill, you could devise a 4 or 8 hour program for each topic, a day long seminar on every one of them. I think there are enough well-qualified people out there. I think that we could use some more. There are training organizations out there for professional people that we are getting them from.

Chairman MARTINEZ. The bottom line question is, is there sufficient availability of training personnel, training facilities, and programs to cover the—

Dr. CHUVALA. On a personal basis, from what I would like to see, no. I would like to see a more concerted effort toward certification of these types of persons and more of them.

Chairman MARTINEZ. A good example. In the licensing of real estate agents, there are more schools than there are people available to go to those schools now because the State required the licensing of real estate salesmen. Then you have the brokers, too. There is a parallel here. You talked about it earlier, about who would be the responsible party and carry the license.

The other day in the office we were talking about it and I used the analogy of a real estate broker's license. The broker, the company itself has the license, and a real estate man or woman who is licensed, and I liken this as the security officer required to be licensed, would have to place his license with the company, the same as a real estate agent places his license with the broker and working under the broker license, where the liability exists.

The point is that when we saw that become a reality, for example in the State of California, schools cropped up like you wouldn't believe. I could name you a dozen schools that are available. Maybe we are starting a new industry.

Dr. CHUVALA. Well, I tried to answer part of that question here. Oftentimes in both proprietary and in the contract business or in any business you will see an officer will be put out to do a tour and trained by a training office, quote unquote. Oftentimes that training officer isn't certified in the State or with any professional organization and they will do a 16-hour tour of the grounds and facilities, but that is not, in my opinion, training. That is something that comes extra with the classroom training, in addition to which oftentimes you will have people flopped into a room for 8 hours and watching videotapes. You need people to interact with them.

Chairman MARTINEZ. When you were talking about setting minimum standards for the training, that is what you talked about?

Dr. CHUVALA. That is another bill. I think that would be good too. I have no problem weeding out the people and companies that don't belong there.

Chairman MARTINEZ. The first step—

Dr. CHUVALA. Is to get something started, which you have done.

Chairman MARTINEZ. Mr. Scott.

Mr. SCOTT. We have heard a lot of criticism about the time it takes to get background checks done, that the paperwork takes long to get back. In Virginia, we passed a bill to require instantaneous background checks for the purchase of firearms where you could get the background check on the phone. It takes a minute or two. Mr. Sweeting is going to check to find out what background is checked. But is there any reason why it has to take this kind of time?

Dr. CHUVALA. It shouldn't take that long. Oftentimes with the NCIC, you have to be oftentimes a policing agency to get any information.

Mr. SCOTT. You call, the firearms dealer has to call the State police?

Dr. CHUVALA. Right. You would have to go through them. You couldn't do it yourself. The bill would change that. Also people are often understaffed, overworked and sending the prints to the FBI takes a while, so there is a tremendous amount of time lost because of not enough manpower.

Mr. SHELLOW. With all due respect to the professionalism of the FBI, they do place their own high priority projects ahead of this type of service and they will continue to do so unless they are provided with resources to handle it sort of on the side to begin with before it pays for itself.

In terms of how long does it take to get an NCIC check, as long as it takes to get an authorized operator to log in and merge in the

information and wait the 90 seconds to get it back. This is not the only database available that can provide this kind of information. There are others, proprietary and available to the general public, that can provide the same information, I am afraid at a greater expense.

Mr. SCOTT. You mentioned fingerprint checks.

Mr. SHELLOW. That is strictly controlled by the FBI. But there is new technology that is soon to be placed online that will shorten the time that it takes to make those fingerprint matches. Some day we may be looking at a technology that allows somebody to put their hand on a scanner and have their fingerprints digitized, sent back to a central database and returned within a matter of seconds with the records.

Mr. SCOTT. I don't know about other States, Mr. Chairman, but Virginia has AFIS and I don't know if the other States have that where you computerize an automated fingerprint identification system where you send it in and get it back. Do all States have that?

Mr. SOMERSON. No, they do not.

Mr. SCOTT. So what good is a fingerprint check?

Mr. SHELLOW. As it stands now, it is hand matched. You send in the fingerprint cards, the card goes in, an expert takes it, classifies it, goes to a large room that is filled with an enormous number of fingerprint files and tries to match it up, and he ultimately does if they are good prints. It is a hand-done operation for the most part.

Chairman MARTINEZ. I was of the impression that the card, fingerprint card, is set into a file and that that is set on some kind of a computer screen and then the other cards are gone through and the matching card is then kicked out. Isn't that the way it is done?

Mr. SHELLOW. Yes, but it is a labor-intensive operation. It is not the same thing as having the print digitized, set and returned without anybody doing anything but pushing a key on a computer.

Chairman MARTINEZ. This is interesting because a while back Mr. Staggers, in the last session of Congress, had in response to the Brady bill put forth a proposal to use the FBI to check for people purchasing handguns in an automated system, and part of the bill would authorize the appropriation of moneys to put that system in place. I don't think it is a bad idea regardless of whether it were for that bill or any other where there does need to be the ability of the FBI to get back to people who need almost immediately the identification of a felon who is applying for something that a felon shouldn't be able to apply for. It is a Federal law that felons cannot obtain gun permits.

Mr. SHELLOW. The NCIC is not a perfect system. It is not uniform in the sense that all States don't report the same information to it. Most importantly, it does not provide misdemeanor arrests or convictions unless they are very serious. So that if you have an applicant for a security officer's job that has four or five DWI convictions in three or four States aside from the one he is applying in, you won't know that.

Chairman MARTINEZ. There is another situation that arose the other day in that people who have been discharged from police departments for cause, in many cases that is not recorded anywhere except in a local police department and as a result he may have

very serious problems and be able to apply for a job as a security officer.

I know in many cases, and the reason it caught my attention was the fact that I do know in local departments in the area that I represent there have been people who have been discharged from police departments for cause who have then gone on to have a career as a security guard. That is not right, either. I think that what we are trying to do here is make available to the security guard industry, especially in the cases of felons, which is very egregious, that information. Mr. Scott.

Mr. SCOTT. Thank you. Let me change to training. Is it the testimony of both of you that 8 hours is woefully inadequate to cover all of the subject matters that Dr. Chuvala mentioned? You mentioned about eight different subject matters, each of which you would have difficulty covering in an 8-hour session.

Dr. CHUVALA. I could expand them each to an 8-hour session. That would be my testimony yes, that it is woefully inadequate.

Mr. SHELLOW. Yes, indeed, woefully inadequate.

Mr. SOMERSON. Mr. Scott, you asked a question earlier I would like to answer. When you give an officer training, you give an officer something for the cost of furnishing the training. When an officer is given training he stays. When he isn't trained, he turns and he moves through the system. So the costs are higher not to train than they are to train, and the more training you can give, the more you are giving the person. It is what you are giving to the person that is very important to the person.

Mr. SCOTT. On the trainers themselves, is it the suggestion of the people testifying that we ought to throw out in-house training altogether and go to some certified training?

Mr. SHELLOW. Throw out in-house training?

Mr. SCOTT. Yes.

Mr. SHELLOW. No. Dr. Chuvala's testimony was that much of in-house training is superior to the contract industry's training, very often, and it has been our experience, we deal certainly with large corporations that have in-house training and they are very, very cognizant of the liability issue and they take great pride in setting up a courteous and effective security department.

Mr. SCOTT. How do you certify an in-house training protocol?

Mr. SOMERSON. If you certify a standard curriculum, if you look at the product you want to deliver, you can certify anybody who can deliver that product well.

To answer an earlier question, there are many people in this country who are capable of delivering. It is what they deliver that concerns me, because that is very different all over the country. If we can develop, and it exists already, a very model curriculum outline, and if we can get people certified to deliver that curriculum outline, whether they are in-house, whether they are a school, whether they are a university or whether they are a contract agency, as long as they can be approved to deliver that contract and certify to it—

Mr. SCOTT. Usually the certification process for education requires on-site visits, sometimes surprise visits, review of the curriculum. Could you do that to an in-house program?

Mr. SHELLOW. Sure.

Dr. CHUVALA. I might add, Mr. Scott, just to—I wouldn't recommend at all to do away with in-house training, and if these people were certified with a program such as the security officers' bill it won't matter whether they were in-house or independent; if they had certification they should be able to move back and forth.

Mr. SCOTT. On drug testing, I think I heard 50 percent are doing preemployment drug testing now?

Dr. CHUVALA. Roughly, right.

Mr. SCOTT. Is there any on-the-job drug testing?

Dr. CHUVALA. Some companies are—this causes some litigation—some companies do testing of only new hires. Some companies like to hold out for doing random testing every year. Unfortunately, the same people sometimes come up randomly, sometimes for cause. So there is a problem with that. If done correctly I don't think there would be a problem.

Mr. SCOTT. Is the state of the law on drug testing of employees—isn't there an exception for those who are in sensitive public safety type positions that you can be a little more liberal in your application of drug testing? That is, for many employees, drug testing—it may be illegal. Can you just test employees generally?

Dr. CHUVALA. Well, that is an issue that is before the courts. It comes up every year. There are cases on it.

Mr. SCOTT. I guess the question is whatever the outcome of the general testing may be, aren't you allowed a little more latitude on those in sensitive public safety positions?

Dr. CHUVALA. I would not have more latitude. I would think it would be more strict. The Department of Transportation, those people are required to be tested fairly often.

Mr. SCOTT. I think we are using our adjectives differently, but I think we are agreeing.

Dr. CHUVALA. We are.

Chairman MARTINEZ. One last question, not so much a question as a request and a statement—I would not challenge the statement that you made about the three times as much training in the proprietary and five times as much on-the-job training in that whatever study you did probably showed that, but in reality I happen to know of a lot of circumstances where there are in-house and proprietary guards on the basis that this company is not a large major company, which you probably studied, but apartment dwellings where security is required and those guards are woefully inadequately trained, and there are a lot of situations like that. I don't know what the numbers are.

The request I have is if you would provide us with the studies that you did do and what kind of companies you studied this with, because I believe there are a lot of places out there—in fact my district office is in a building where they provide a security guard and I have met the man personally, wonderful guy, but woefully inadequate as a security guard. He wouldn't know what to do if an emergency arose if it was to save his life. The reason he is there is one reason alone, cost. That is the only reason.

I know in several other apartment buildings where I have lived as a tenant and here outside of Washington where they have had security guards that I have met and talked to them—I am a gregarious guy. I like to talk to people. And I find that these people

are not trained at all. I know there is a whole segment out there that you maybe didn't study.

Dr. CHUVALA. This was a study done by the Hallcrest report. I will get that information. They probably did a random type of survey and it is possible that you could come up with a contract agency which was doing more training, or the case you mentioned, none—they were doing none in the proprietary.

Mr. SOMERSON. That study was done on companies that had proprietary forces and training programs. An apartment house which hires one night watchman wouldn't have such a program so it wouldn't have been studied.

Chairman MARTINEZ. So the numbers would be skewed if you only studied a certain type that had.

Mr. SOMERSON. Yes, sir.

Chairman MARTINEZ. Thank you very much. Your testimony has been excellent and very helpful to us.

Our next panel consists of three gentlemen. I will introduce two and allow my colleague, Mr. Sundquist, to introduce a gentleman who is a constituent of his. Mr. Phillip J. Wunder, president of National Council of Investigation and Securities Services, is a Severna Park resident and president and CEO of Continental Secret Service Bureau, Inc., with corporate headquarters in Toledo, Ohio. Ben Poitevent, assistant general counsel, Division of Licensing from Florida Department of State, Tallahassee, Florida. Mr. Sundquist.

Mr. SUNDQUIST. Thank you, Mr. Chairman, for your graciousness in allowing me to be here.

Mr. Chairman and members of this committee, it is a pleasure and a privilege for me to introduce my constituent and friend Mr. Ira Lipman. He is the founder and CEO of Guardsmark, Inc., a privately held security services company started 30 years ago.

Currently, Guardsmark operates in more than 400 cities from 90 branch offices and has in excess of 8,000 employees. It is known for its innovative security concepts, for their rigid standards of excellence. It is the fifth largest of the 13,000 companies in the country. In 1992, Time Magazine cited Guardsmark as the company which many security experts consider the best national firm in the business.

Mr. Lipman has written for the public on a wide range of security topics and contributes regularly to the professional literature in the security field. He is an author of a book, How to Protect Yourself From Crime, and editor and publisher of the Lipman Report.

Thank you, Mr. Chairman.

Chairman MARTINEZ. Mr. Lipman.

STATEMENTS OF IRA LIPMAN, PRESIDENT, GUARDSMARK, INCORPORATED; PHILLIP J. WUNDER, PRESIDENT, NATIONAL COUNCIL OF INVESTIGATION AND SECURITY SERVICES, INC.; AND BEN POITEVENT, ASSISTANT GENERAL COUNSEL, DIVISION OF LICENSING, FLORIDA DEPARTMENT OF STATE

Mr. LIPMAN. Good morning. Mr. Chairman, members of the committee, thank you for your invitation to testify at this hearing on the proposed Private Security Officers Quality Assurance Act of 1993.

I must say that never in my wildest dreams did I ever think I would some day sit here and oppose a bill that called for regulation of the private security industry. But this bill is woefully inadequate because it would not assure the quality of private security officers as its title claims. Moreover, the bill is dangerously inadequate for two reasons. First, passage of this bill could have the unfortunate effect of making people believe that the industry finally had meaningful standards. And second, it could derail major efforts that are now underway to ensure true quality in the selection, training and management of private security officers in the United States.

Time limits prevent me from going into detail this morning, but the committee has been provided with extended written testimony that provides support for and an explanation of our position.

Let me say first that my company, Guardsmark, is the Nation's fifth largest private security services organization offering all aspects of security services. We employ 8,000 people and have 90 branch offices and operations in more than 400 cities across the country. Guardsmark has been acclaimed by security experts as the premier company in our field and we have been highlighted by Time Magazine and other national news magazines, the broadcast media and in such books as Crime Warps and Liberation Management for the quality of our service.

For years, we have led the fight to improve standards in the private security industry; that Federal regulation of the industry is necessary is beyond dispute. Self-regulation of the industry would be preferable, but that has not happened and will not happen given the nature of the industry. State regulation without Federal involvement would also be preferable, but State regulation of private security has proven in general to be haphazard and in many States totally lacking. As a result, there are security officers in this Nation who are convicted murderers and rapists, who are thrilled at the sight of fire, who think that a uniform gives them authority and that a gun gives them power, who cannot control their urges or contain their wants, who prey on those they are hired to protect, who cannot keep the barbarians outside the gates because they are the barbarians and they are already inside.

How often do these things happen? On April 1 in St. Petersburg, Florida, a former security guard was charged with three new counts of capital sexual battery in addition to 36 other charges already filed for molesting at least six girls under the age of 12. One 8-year-old girl was a resident of a home for abused children where the suspect worked as a guard.

On April 16 a former security manager at a bank in Abilene, Texas, pleaded guilty to a charge that he burglarized the bank.

The next day, on April 17, in Riverside, California, a former security guard pleaded guilty of arson for burning down houses at a construction site he was hired to protect.

On April 30 in San Francisco, California, two daughters of an innocent bystander who was shot and killed by a security guard were awarded almost \$1.2 million in damages. The guard had been pursuing a drunk. The guards' gun had no safety.

On May 16 in Philadelphia, Pennsylvania, a former security guard who had shot and killed two other guards was found guilty of first degree murder and found to be mentally ill. He said he did

it because he had been assigned to a geriatric center and he didn't like to be around too many people.

These are not isolated instances. In fact, we have been tracking such cases as these for the past 18 years on a weekly basis. It is why we began a campaign to improve standards in the industry years ago and why we were instrumental in the introduction in 1991 of a bill, the Security Officer Employment Standards Act in the Senate by then Senator Albert Gore.

The bill currently before this committee would not solve the problems we face today. The bill should be amended to include the following screening and training requirements for all security officer applicants: A prior employment check going back 10 years instead of only 5; a psychological evaluation; a physical fitness evaluation; submission of fingerprints to the FBI before employment; a 10-panel drug test processed through laboratories approved by the National Institute on Drug Abuse; a review of military discharge records; a criminal history check at the State level; a background check even if the applicant has a registration permit; a minimum of 20 hours of training for armed officers instead of only 15; training in the responsible use of uniforms; first aid training; and training in crowd control and the handling of crisis situations.

In addition, the bill should require verification that all applicants possess a high school diploma or the equivalent and are either citizens of the United States or have declared their intention to become citizens.

Finally, the ban on restrictive covenants should be deleted. This subject is purely a business matter and a competitive issue and is completely extraneous and irrelevant to the issue of standards in the private security industry.

We understand that some national private security companies support this bill. But we believe they are misguided in their thinking that because their standards may or may not exceed those specified by the bill, that most of the other 13,000 companies in the industry also exceed the proposed standards.

That is simply not the case. The industry is filled with unqualified and unprofessional companies that will do the absolute minimum required of them in order to increase their profit margins at the expense of the public safety.

The plain truth is that today much of the protection of our people, their property and their businesses, has been turned over to private security. Over the last 20 years, an unacknowledged partnership has been forged between government, public law enforcement and the private security industry. With rising crime and understaffed police agencies, everything from apartment complexes to power plants have come under the protection of private firms. We fill the gap between the police and the public. Unfortunately, many of the thousands of private security firms are filling that gap with unqualified, immature, mentally unbalanced, illiterate and violent people masquerading as security officers, and they would continue to do so if this bill were to pass in its present state.

Reform of the private security industry has been gaining momentum for years. Now is the time to assure the public of this Nation that when they see a private security officer they need not fear be-

cause they know that he or she has been screened thoroughly, selected carefully and trained rigorously.

Now is the time to put a stop to guards raping the women they are employed to protect, robbing their employers, shooting innocent bystanders and burning construction sites. Now is the time to protect the people and stop protecting the selfish and unenlightened interests of private security operators.

I beg you to amend this bill by adopting the meaningful standards outlined above. Thank you very much.

Chairman MARTINEZ. Thank you.

[The prepared statement of Mr. Lipman follows:]

IRA A. LIPMAN

Mr. Chairman, Members of the Committee:

Thank you for your invitation to testify at this hearing on the proposed "Private Security Officers Quality Assurance Act of 1993."

I must say that never in my wildest dreams did I ever think I would some day sit here and oppose a bill that called for regulation of the private security industry.

But this bill is woefully inadequate, because it would not assure the quality of private security officers as its title claims. Moreover, the bill is dangerously inadequate for two reasons. First, passage of this bill could have the unfortunate effect of making people believe that the industry finally had meaningful standards; and second, it could derail major efforts that are now underway to ensure true quality in the screening, selection, and training of private security officers in the United States.

Let me say first, by way of introduction, that my company, Guardsmark, Inc., is the nation's fifth largest private security services company, offering all aspects of security services. We employ 8,000 people and have 90 branch offices and operations in more than 400 cities across the country.

Guardsmark has been acclaimed by security experts as the premier company in our field, and we have been highlighted by *Time* and other national news magazines, the broadcast media, and in such books as *Crime Wars* and *Liberation Management* for the quality of our service. For years we have led the fight to improve standards in the private security industry, making our argument in speeches, lectures, articles, and in state capitals coast to coast. We were also instrumental in the introduction in 1991 of a bill, "The Security Officer Employment Standards Act," in the United States Senate by then-Senator Albert Gore.

I mention this so you know that Guardsmark is not a recent convert to the effort to improve industry standards, and that what I have to say results from many years of working both inside and outside the industry to raise the quality of private security officers.

My views are based on knowledge and experience gained from more than 40 years in the private security industry. They are based on my company's tracking for the past 18 years of crimes committed by private security guards. And they are based on an awareness gained from demonstrated concern about, and involvement in, every aspect of the industry.

There are three major reasons that standards in the private security industry must be raised as soon as possible: the tremendous growth of the industry, the current and increasing importance of the role private security is assuming in American society, and the evident lack of quality of many of today's officers and companies.

In 1980, there were 1 million private security personnel in the United States. In 1990, there were 1.5 million. By the year 2000, there will be nearly 2 million—a 100 percent increase in 20 years. By the end of the decade, private security officers will outnumber public law enforcement officers by 3 to 1.

The phenomenal growth is due to two related trends: the meteoric rise in crime over the years at the same time that severe and entrenched fiscal problems at local, state, and national levels impeded growth in public sector security just when it most needed to expand.

From 1980 to the year 2000, public law enforcement will have grown by only 14 percent—from 600,000 to 684,000. Clearly, these numbers are insufficient to safeguard our citizens from being caught in the spreading web of crime.

To realize how much our nation relies on private security today, imagine the criminal reaction if all the private security officers were removed from financial institutions, pharmaceutical companies, power plants, telephone switching networks, computer installations, defense-related industries, public housing developments, high-rise buildings, airports, bus terminals, public parks, shopping centers, neighborhoods, coliseums, libraries, schools, courts, prisons, and individual businesses all across the country. Then imagine the public clamor for protection and the impossible situation that the police would face.

The plain truth is that today much of the protection of our people and their property and businesses has been turned over to private security. Over the last 20 years, an

unacknowledged partnership has been forged between government, public law enforcement, and the private security industry. We fill the gap between the police and the public.

Not only has private security grown, it has changed so significantly and so rapidly that the public perception of the industry has not caught up with the reality.

Although many still think of security guards as aging pensioners, today's security personnel are more likely than ever before to be young career professionals who operate control panels at multi-million-dollar facilities. Increasingly, professionals at the top end of the industry perform exacting, complex, and critical tasks.

The increasing professionalism at the top end of the security industry has enabled it to fill the security gap caused by the rise in crime rates and insufficient funding of public police forces. By supplementing and replacing public personnel, private security has allowed the most efficient use of limited public resources as public police forces concentrate on areas where they can be used most effectively.

It is precisely because private security has supplemented and replaced public law enforcement in so many areas that many citizens automatically believe that private security personnel undergo the same rigorous scrutiny as public police officers. Nothing could be further from the truth.

The private security industry has failed miserably at self-regulation. It has been unable to impose, enforce, or even agree on minimum screening and training standards.

As a result, the rapid growth of private security has been schizophrenic. At one end of the industry, there is great and increasing professionalism. But at the other end is an ever-growing number of security firms that care nothing about quality service.

Without industry standards to live up to, these firms simply do not screen their applicants properly. They do not even attempt to check applicants' criminal records, military service records, personal references, previous employers, or educational claims. They don't test for literacy, they don't test for drug use, and they don't evaluate psychological fitness.

That federal regulation of the industry is necessary is beyond dispute. Self-regulation of the industry would be preferable, but that has not happened, and will not happen, given the nature of the industry. State regulation without federal involvement would also be preferable, but state regulation of private security has proven in general to be haphazard and in many states, totally lacking.

In a country where states rush to regulate everyone from barbers and cosmetologists to landscape architects and pool hall operators, security personnel are often ignored.

In many states, security personnel can be hired in the morning and be on post by lunchtime, and the employer hasn't a clue about the person's background. Other states operate under a patchwork of varying provisions that are ineffective and often unenforced.

Thirty-three states require no training at all for unarmed security guards. Another 18 states have no training requirements even for guards who carry guns.

More than three-fifths of the states do not even require security firm operators to carry liability insurance. It is no wonder that there are approximately 13,000 firms in this country providing private security officers, the vast majority of which do not properly screen and train guards and refuse to buy liability insurance to compensate the public for the damage their guards cause.

The failure to regulate the industry has created the situation we face today. There are security officers in this nation who are convicted murderers and rapists, who are thrilled at the sight of fire, who think that a uniform gives them authority and that a gun gives them power, who cannot control their urges or contain their wants, who prey on those they are hired to protect, who cannot keep the barbarians outside the gates—because they are the barbarians, and they are already inside.

Too many of the security guards working in the United States today are unqualified, dishonest, unreliable, and violent. It's a problem for our society. It's a problem for business. It's a problem for each of us individually. It's a tragic situation with tragic consequences.

Crimes committed by private security guards are legion, as a mere perusal of newspaper accounts from around the country for any time period would show:

- On April 1 of this year in St. Petersburg, Florida, a former security guard was charged with three new counts of capital sexual battery—in addition to 36 other charges already filed—for molesting at least six girls under the age of 12. One eight-year-old girl was a resident of a home for abused children where the suspect worked as a guard.
- On April 16, a former security manager at a bank in Abilene, Texas, pleaded guilty to a charge that he burglarized the bank.
- On April 17 in Riverside, California, a former security guard pleaded guilty to arson for burning down houses at a construction site he was hired to protect.
- On April 30 in San Francisco, California, two daughters of an innocent bystander who was shot and killed by a security guard were awarded almost \$1.2 million in damages. The guard had been pursuing a drunk. The guard's gun had no safety.
- On May 6 in Philadelphia, Pennsylvania, a former security guard who had shot and killed two other guards was found guilty of first degree murder and found to be mentally ill. He said he did it because he had been assigned to a geriatric center and he didn't like to be around too many people.

If any member of the Committee believes that these are isolated incidents, we would be happy to furnish clippings of untold numbers of similar cases for every week going back to 1975.

The bill currently before this Committee is not the answer to the problems we face. Here are just a few examples of security guards who in all likelihood would have passed the screening requirements of this bill if it had been in effect at the time of their application:

- In April 1992, a security guard in Arkansas was charged with first-degree sexual abuse for allegedly molesting a nine-year-old girl. He had been convicted in 1963 of a crime involving sexual activity with a minor and served a seven-year prison sentence.
- In December 1992, a mother and daughter in Brookline, Massachusetts, won a \$127,000 judgment against the employer of a security guard who had assaulted them. The man had a history of psychological problems.

- On February 16, 1993, a security guard in Ohio allegedly admitted to the police that he shot a man in the head in a dispute over auto repairs. The guard had a history of mental illness and had been a client at a mental health center since 1985.
- On February 26, 1993, a former security guard at a Chicago hospital admitted setting two fires at the hospital and making 35 bomb threats while working there.

If the aim is to ensure the quality of private security officers, then the bill needs to be strengthened in numerous areas. It should be amended to include the following screening and training requirements for all security officer applicants:

- A prior employment check going back 10 years instead of only 5, with periods of unemployment to be verified by independent, notarized statements
- A psychological evaluation
- A physical fitness evaluation
- Submission of fingerprints to the FBI before employment
- A 10-panel drug test processed through laboratories approved by the National Institute on Drug Abuse
- A review of military discharge records
- A criminal history check at the state level
- A background check even if the applicant has a registration permit
- A minimum of 20 hours of training for armed officers instead of only 15
- Training in the responsible use of uniforms
- First aid training, and
- Training in crowd control and the handling of crisis situations.

In addition, the bill should require verification that all applicants possess a high school diploma or the equivalent and are either citizens of the United States or have declared their intention to become citizens. If police departments in such cities as New York, Los Angeles, Chicago, Houston, and Detroit believe citizenship is important, why is it less so for private security officers? The very existence of many businesses depends on the inviolability of trade secrets, formulas, marketing plans, patents, and other highly valuable proprietary information. Access to these kinds of information is much more easily gained by private security personnel than by public law enforcement officers.

Finally, the ban on restrictive covenants should be struck. It is difficult to understand why this provision is in the bill. The subject of restrictive covenants is purely a business matter and a competitive issue, and it is completely extraneous and irrelevant to the issue of standards in the private security industry. Many of Guardsmark's competitors seek to undercut us, win a contract, and then hire away our security officers because they know our screening and training standards are unsurpassed. In many instances, the new company that wins the contract immediately cuts the officers' salaries. In addition, the officers may lose seniority, vacation and other benefits.

The restrictive covenant used by Guardsmark allows our security officers to leave the company and market their services anywhere in the world except at the location where we placed them and trained them. Our business is dependent on the good will relationships we establish with our clients through our security officers, and we firmly believe it is unfair for our security officers to use that good will against our interests. We have consistently won lawsuits challenging our restrictive covenant because courts across the country have agreed with us that the restriction on the security officer is minimal and that we have the right to protect the investment we have made in the development of client relationships and in the screening, selection, and training of our security officers.

We understand that some national private security companies support this bill, but we believe they are misguided in their thinking that because their standards may or may not exceed those specified by the bill, that most of the other 13,000 companies in the industry also exceed the proposed standards. That is simply not the case. The industry is filled with unqualified and unprofessional companies that will do the absolute minimum required of them in order to increase their profit margins at the expense of the public safety.

I would like to make it clear that we do not support more effective regulation of the private security industry because it would give Guardsmark a competitive edge. Actually, the result would be exactly the opposite. The more that private security companies improve their quality, the more competition we will have. The standards we adhere to at Guardsmark are the highest in the industry and the only advantage we need. The amount of additional business that we would gain if this bill were to become law would probably not pay my airfare this morning.

The essential point is that we must no longer allow the public to be victimized by an industry that supplies a vital service while resisting effective regulation.

Reform of the private security industry has been gaining momentum for years, and we at Guardsmark welcome the support of other companies in the effort to ensure high standards of quality in our industry.

Now is the time to assure the public of this nation that when they see a private security officer they need not fear, because they know that he or she has been screened thoroughly, selected carefully, and trained rigorously.

Now is the time to put a stop to guards raping the women they are employed to protect, robbing their employers, shooting innocent bystanders, and burning construction sites.

Now is the time to begin protecting the people of this land and stop protecting the selfish and unenlightened interests of private security operators.

I beg you to amend this bill by adopting the meaningful standards outlined above.

Thank you.

Chairman MARTINEZ. There is a vote on and before we go into your testimony, Mr. Poitevent, we will take a short recess.

Before we do, I wanted to say this because Mr. Sundquist may have a pressing engagement and I wanted him to hear—Mr. Lipman, your leadership has created the kinds of standards that we all would like to see. However, the reality of politics and Congress causes us to be very cautious and conservative and modest even in what we expect to get passed.

Our approach has been to ask for minimum standards hoping that the States faced with the necessity of doing something will look subsequently at what they are doing and what their needs really are. However, if there are amendments that would improve this bill and those amendments came to this bill and on to the floor, I would look at them as friendly amendments and would accept them. It would be up to the rest of the Congress to do likewise, and I would hope we could increase the standards as a minimum.

There is a feeling in this Congress that States have rights and that we as a Federal Government should probably provide leadership and policy but allow the States to do it. However, I want to commend you for your testimony, especially one page that you did not read that I may plagiarize in promoting the bill. We will return in just a few minutes.

[Brief recess.]

Chairman MARTINEZ. I would like to reconvene the meeting and we will proceed with your testimony, Mr. Poitevent.

Mr. POITEVENT. Thank you, Mr. Chairman.

Mr. SCOTT. Before he starts, could we get a report from Mr. Sweeting as to what Virginia actually checks? I think we got that information and it may be helpful as we receive the rest of the testimony.

Mr. SWEETING. When a gun purchase is made, the gun dealer calls an 800 number to get a clearance number and at that central location they check the U.S. wanted list, the National Crime Information Center, the III, Interstate Identification Index, and the Virginia conviction list. They get a clearance if they get no hit. If they get a hit, there is no clearance.

Mr. SCOTT. When they get the hit that indicates there is something on the record and they need to check it further. They don't check it further but they can't make the gun sale, which is all they needed to know.

Mr. SWEETING. They don't even have to know what the hit was.

Chairman MARTINEZ. In checking for somebody's record, if they got that same notification, wouldn't they have to request more information?

Mr. SCOTT. If they got a clearance, that would be enough to go forward. You could ask the guy to tell about his record and you may get the truth out of him, but you could go further to get the record. That is, on the phone, a minute or two.

Mr. POITEVENT. I would like to introduce myself. I am Ben Poitevent, assistant general counsel of the Florida Department of State. We are the agency that regulates the private security industry.

Thank you for asking me here today and to testify with regard to H.R. 1534, the Private Security Officers Quality Assurance Act of 1993.

I appear before you today representing the Florida Department of State and the public and the State of Florida, including untold millions of tourists who pass through our State each year. Because tourism brings millions, billions of dollars each year to the State of Florida, the vast numbers of visitors to our State each year makes the security industry in our State a major growth industry.

Protection of our visitors has been foremost in the legislative mind in Florida as it has consistently established high statutory standards for licensure as a security officer in Florida.

Florida currently has in excess of 60,000 licensed security officers operating as employees of 653 licensed security agencies. Additionally, in Florida there are in excess of 500 armed licensees. The regulation of such large numbers of licensees is a horrendous task which the Department of State carries out with 21 investigators in seven regional offices around the State.

In Florida, before an applicant for a position as a security officer may even file an application for licensure he must have completed 20 hours of basic security officer training and passed a final exam approved by the department. If that same security officer is going to be armed, he must have had an additional 28 hours of firearms training and proven his firearms proficiency by firing a qualification score, similar to that required of law enforcement officers.

Because Florida requires more training and imposes higher standards than most other States, the Department of State has opposed reciprocity agreements with other States. To the State of Florida, reciprocity means security personnel with less training and lower standards than those required of Florida security officers would be allowed to operate in our State. To allow such lesser trained security personnel to operate in the State of Florida diminishes the level of protection to the public demanded by the Florida legislature.

This bill requires that States implement only 8 hours of classroom instruction and 4 hours of on-the-job training prior to licensure. That means by the language in this Act found at page 8, line 9 through line 16, federally imposed reciprocity. That language is most objectionable to the State of Florida. It means in simple terms that a security company may bring an employee with 8 hours of classroom training into the State of Florida for up to 90 days to carry out the same functions as Florida security officers who have received 20 hours of training and who have been required to pass an exam to assure some minimum level of proficiency. The result is that security officers who by Florida standards are unqualified to perform security services would be allowed to operate in Florida under the Federal Code. The unintended consequence of this bill will be that the protection of the health, safety and welfare of the public in the State of Florida will be significantly diminished.

Additionally, the State of Florida has great concern about the provisions of the bill which allow the employing security company to conduct a background investigation including the fingerprint checks through the NCIC maintained by the FBI. Not even addressing the logistical problems of thousands of individual security

companies submitting fingerprints directly to the FBI, the potential for fraud or a mistake is very great.

While it is clearly desirable to require security companies to conduct some verification of employees' backgrounds, we would respectfully submit that it is best handled by a State regulatory agency to assure standardization, equal protection, and consistency of application of the law. The State of Florida would prefer that State agencies have the duty to conduct criminal history checks, even if it is upon a standard established by Federal legislation.

Eight hours of training and 4 hours of on-the-job training is insufficient. It is a beginning for States that currently have less training requirements or who have no statutory training requirements whatsoever. However 8 hours of classroom training remains insufficient. The State of Florida currently requires 20 hours of training and that number increases by 4 hours every 2 years until it reaches 40 hours of training in the year 2003. At the same time, firearms training increases by a like amount until it reaches a total of 48 hours in the year 2004.

The State of Florida respectfully requests that this body amend the bill to require a minimum of 16 hours of basic security officer training and a written examination to assure some minimal measure of competency.

This legislation is sorely needed in most of the States in this country. As the Chairman has indicated in his recent correspondence and comments, there are 11 to 14 States that currently have no training or other qualification requirements to be security officers. In those States I am certain that there are many convicted felons who are employed as security personnel guarding the persons and property of its citizens. Additionally, in those States which have no training requirements, the public is being ill-served when it goes to a uniformed security officer for assistance and finds a person with no qualification to lend assistance. That means no training in the law, first aid, ethics or in observation and report writing techniques or in the use of nonlethal weapons such as batons, stun guns, chemical agents such as mace, pepper, et cetera. Clearly, this body needs to respond to that danger where individual States have failed to do so.

H.R. 1534 does in many ways satisfy the need for national legislation. It does require States to implement these very minimal training standards and background investigation requirements. However, such objectives can be achieved in a manner which does not diminish existing State statutes in States that have already taken the initiative to closely regulate the private security in their State.

The State of Florida currently has statutory language significantly beyond the language of the bill. If this legislation passes, it would take a year or two to interpret the Federal legislation and to bring State legislation into compliance.

As I have previously stated, many other issues need to be addressed in the training requirements. Specifically 8 hours of classroom training is insufficient and on-the-job training is a type of training which cannot be measured as to success or failure. OJT by its very nature is site-specific or mission-specific and therefore largely of no value when a security officer changes employers. Ad-

ditionally, the bill does not address such important issues necessary for security officer training such as first aid or specifically CPR. When one considers the millions of security officers operating at any given moment in this country as protectors of persons and property, it is unacceptable to not require at least the most basic skills.

Mr. Chairman, in the State of Florida current criminal history checks are sufficient. Certainly there is always room for improvement, but a full background investigation based upon a fingerprint check and local law enforcement check develops criminal history throughout the adult life.

Mr. Chairman, in your letter you asked for specific questions to be answered in this oral testimony. I have attempted to do so. The last of those questions is: What does your State do now that would have to change if this bill becomes law?

As it is currently written, Mr. Chairman, I would respectfully submit that without the significant changes I have indicated here today, the State of Florida, its citizens and the millions of tourists who visit us each year would be protected by out-of-State security officers who have received less training than is currently required of Florida's licensed officers. We would have to become accustomed to security officers from other States who have a background of questionable accuracy and sufficiency, and, finally, we would have to change the concept which our legislature has been striving to achieve for some years, that those who guard our lives and property must be free of criminal history and must be trained to a level that assures at least basic competence in security techniques and procedures.

The State of Florida supports nationwide minimal standards for security personnel. We simply come here today respectfully requesting that the current language of the bill not diminish the higher standards currently in place in Florida and some other States. Please do not allow persons with lesser training to operate in the State of Florida. Please do not diminish the Florida legislature's attempts to protect the health, safety and welfare of the public in the State of Florida. Thank you, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Poitevent.

[The prepared statement of Mr. Poitevent follows:]

COMMITTEE ON EDUCATION AND LABOR
US HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON HUMAN RESOURCES

Testimony of Benjamin E. Poitevent
Assistant General Counsel
Florida Department of State

June 17, 1993

Mr. Chairman, thank you for asking me here today ~~and~~ to testify as regards House of Representative Bill 1534, the "Private Security Officers Quality Assurance Act of 1993." I appear before you today representing the Florida Department of State and the public in the State of Florida, including untold millions of tourist who pass through our state each year. Because tourism brings billions of dollars each year to the State of Florida, the vast numbers of visitors to our state each year makes the security industry in our state a major growth industry. Protection of our visitors has been foremost in the legislative mind as it established high statutory standards for licensure as a security officer in Florida. Florida currently has in excess of 60,000 licensed security officers operating as employees of 653 licensed security agencies. Additionally, in Florida there are in excess of 9,500 armed licensees. The regulation of such large numbers of licenses is a horrendous task which the Department of State carries out with 21 investigators in 7 regional offices around the state. In Florida, before an applicant for a position as a security officer may even file an application for licensure, he must have completed 20 hours of

basic security officer training and pass a final exam approved by the Department. If that same security officer is going to be armed he must have had an additional 28 hours of firearms training and proven his firearms proficiency by firing a qualification score, substantially similar to that required of law enforcement officers.

Because Florida requires more training and imposes higher standards than most other states, the Department of State has opposed reciprocity agreements with other states. To the State of Florida reciprocity means security personnel with less training and lower standards than those required of Florida security officers would be allowed to operate in our State. To allow such lesser trained security personnel to operate in the State of Florida diminishes the level of protection to the public demanded by the Florida legislature.

This Bill requires that states implement only 8 hours of classroom instruction and 4 hours of on-the-job training prior to licensure. That means, by the language in this act found at page 8, line 9 through line 16, federally imposed reciprocity. That language is most objectionable to the State of Florida. It means in simple terms that a security company may bring an employee with 8 hours of classroom training into the State of Florida for up to ninety (90) days to carry out the same functions as Florida security officers who have received 20 hours of training and who have been required to pass an exam. The result is that security

officers, who by Florida standards are unqualified to perform security services, would be allowed to operate in Florida under the Federal Code. The unintended consequence of this Bill will be that the protection of the health, safety, and welfare of the public in the State of Florida will be significantly diminished.

Additionally, the State of Florida is very concerned about the provisions of the Bill which allow the employing security company to conduct the background investigation including the fingerprint checks through the NCIC maintained by the FBI. Not even addressing the logistical problems of thousands of individual security companies submitting fingerprints directly to the FBI, the potential for fraud or a mistake is very great. While it is clearly desirable to require security companies to conduct some verification of employees backgrounds, we would respectfully submit that it is best handled by a state regulatory agency to assure standardization, equal protection, and consistency of application of the law. The State of Florida would prefer that state agencies have the duty to conduct criminal history checks, even if it is upon a standard established by federal legislation.

8 hours of training and 4 hours of on-the-job training is insufficient. It is a beginning for states that currently have less training requirements, or who have no statutory training requirements. However, 8 hours of classroom training is insufficient. The State of Florida currently requires 20 hours

of training and that number increases by 4 hours every 2 years until it reaches 40 hours of training in the year 2003. At the same time firearms training increases by a like amount until it reaches a total of 48 hours in the year 2004. The State of Florida respectfully requests that this body amend the Bill to require a minimum of 16 hours of basic security officer training, and a written examination to assure some minimal measure of competency.

This legislation is sorely needed in most of the states in this country. As Chairman Martinez has indicated in his correspondence, there are 14 states that currently have no training or other qualification requirements to be security officers. In those states I am certain that many convicted felons are employed as security personnel guarding the person and property of its citizens. Additionally, in those states which have no training requirements, the public is being ill-served when it goes to a uniformed security officer for assistance and finds a person with no qualifications to lend assistance. That means no training in the law, first aid, ethics, or in observation and report writing techniques or in the use of non-lethal weapons such as batons, stun guns and chemical agents such as mace, pepper, gas, etc. Clearly this body needs to respond to that danger where individual states have failed to do so.

HR 1534 does in many ways satisfy the need for national legislation. It does require states to implement the very

minimal training standards and background investigation requirements. However, such objectives can be achieved in a manner which does not diminish existing statutes in states that have already taken the initiative to closely regulate the private security in their state.

The State of Florida currently has statutory language significantly beyond the language in the Bill. If this legislation passes, it would, however, take a year or two to interpret the federal legislation in an attempt to bring state legislation into compliance.

As I have previously stated, many other issues need to be addressed in the training. Specifically 8 hours of classroom training is insufficient, and on-the-job training is a type of training which cannot be measured as to success or failure. On the job training, by its very nature, is site specific or mission specific and, therefore, largely of no value when a security officer changes employers. Additionally, the Bill does not address such important issues necessary for security officer training such as first aid or, specifically, CPR. When one considers the millions of security officers operating at any given moment in this country as protectors of persons and property, is it unacceptable to not require at least basic skills.

In the State of Florida current criminal history checks are sufficient. There is always room for improvement, but a full background investigation based upon a fingerprint check and local law enforcement check develops criminal history throughout the adult life.

Mr. Chairman in your letter of June 9, 1993, you asked for specific questions to be answered in this oral testimony. I have attempted to do so. The last of those questions is; what does your state do now that would have to change if this Bill becomes law? I would respectfully answer that by saying that without the significant changes that I have indicated here today, the State of Florida, its citizens and the millions of tourist who visit us each year would be protected by out-of-state security officers who have received less training than is currently required of Florida licensed officers. We would have to become accustomed to security officers from other states who have a background of questionable accuracy and sufficiency. And finally, we would have to change the concept which our legislature has been striving to achieve for some years now, that those who guard our lives and property must be free of criminal history and must be trained to a level that assures at least basic competency in security techniques and procedures.

As a final comment Mr. Chairman, I would emphasize that the State of Florida supports nationwide minimal standards for security personnel. We simply come here today respectfully requesting

that the current language of the Bill not diminish the higher standards currently in place in Florida and some other states. Please do not allow persons with lesser training to operate in the State of Florida. Please do not diminish the Florida legislatures attempts to protect the health, safety, and welfare of the public in the State of Florida.

Chairman MARTINEZ. We have already undertaken, with your help, language to be inserted into the bill to make sure that, one, that a State such as Florida that has very high standards will not be caused to reduce those standards in any way, and that the reciprocal agreement outlined in the legislation does not allow officers to come into a State where the standards are higher than what they have in their States. That would be up to the State itself to set that standard.

We are trying to rectify, though, the problems brought to our attention. Mr. Wunder.

Mr. WUNDER. I appreciate the chance to be before you and the other members of the committee. I am last but not least. That gives me some advantage in seeing what the others have said.

Chairman MARTINEZ. You were supposed to be first but I wanted to give you that advantage.

Mr. WUNDER. Good. I like that. I also like your getting ahead of yesterday's meeting and getting together ahead of time. A lot is accomplished in meeting the principals involved.

I am Phillip Wunder, president and CEO of Continental Secret Service Bureau with corporate headquarters in Toledo, Ohio. We also have active offices in Detroit, Michigan, Fort Wayne, Indiana, and Mansfield, Ohio. We are a medium sized security company with approximately 450 employees in the three States that I mentioned.

I have been with my company since 1969 and have virtually worked in all positions within the company to include human resources, scheduling, investigations, accounting, sales and have been in my present position since 1986 when my father passed away.

I am currently president of the National Council of Investigation and Security Services, Incorporated, which is a nonprofit organization that represents the security and investigative industry on a national basis. Our primary focus is on monitoring legislation that affects our industry.

NCISS is also a professional networking organization that promotes high ethical standards in the security and investigation field. We also recognize the free enterprise system and believe that fair competition encourages the development of quality services to both the clients and the industry at large. We represent between 400 and 500 small businesses on a national basis.

Our company, as stated previously, does business in three States, Ohio, Michigan, and Indiana. All three States presently have licensing requirements for the agency and registration requirements for the security officer. The State of Ohio has mandated training for armed security officers of 20 hours. At this time, none of the three States that I am involved in have any other minimum requirements.

Our company has a professional relationship with all three governing bodies in all three States. It has been my experience that all governing units in the three States that I am involved in are understaffed and would have a difficult time handling the administration of what they presently have.

For example in the Detroit area, and this is not in the written context, there is about a four million population in the Detroit area

where we have an office. They have one person to administer and investigate the laws of over 200 agencies. It cannot be done.

Michigan states, police govern us there and they just went through severe cuts. They have a hard time even checking out the people that are applying for a license. That is just an example.

The NCISS supports minimum training and licensing procedures and in turn the increased professionalism of the security profession. We would like to support H.R. 1534 but have several points of concern which I will get into.

Section 5, number 3, allows an employer to assign an employee for a period not to exceed 90 days, to a State where the employee does not hold a valid private security officers registration permit. Said employee holds a private security officer's registration permit from another State.

Ben touched on that. We feel that this particular portion should be stricken for the following reasons: It is too difficult to enforce with States already finding it difficult to administer and enforce laws governing security officers. This provision would further burden the governing agencies.

Also section 7, subsection (b), annual training, it is the collective thought of my peers that a 4-hour refresher should be on a biannual basis or once every 2 years because of the cost of the overhead. Also the scheduling associated with replacing these employees at their assignments could be costly.

Section 8 (a), issuing a 2-year renewal. We feel that a 2-year renewal should be eliminated. We feel a security officer's private security officers' registration should be good for as long as an employee works for the same company.

We feel this way for the following reasons: Because the added cost to small and medium sized agencies would not make it feasible and the administration in tracking the employees and complying with the renewal process would also not make it feasible.

We represent small to medium sized businesses. The security members that I know within our organization run some of the most professionally managed security agencies in the country.

Our concerns go beyond the intent of this legislation. We make 4 percent profit in a good year. With costs rising in all areas, the added overhead and administration caused by sections of this bill make our concerns very appropriate.

Can we pass these costs on to our customers? Hardly with the recession and competitive environment now. It has been my experience that passing on costs to my clients generally opens up the bid process which opens up the whole thing. I am talking strictly business here.

Larger companies enjoy economies of scale that companies of our size don't enjoy. The large companies can absorb these added costs more readily than small ones. The administration to comply with certain sections mentioned herein also translates into added overhead in the form of added employees on staff also with added costs.

NCISS could support H.R. 1534 if positive consideration were given to the concerns already mentioned. It is obvious that minimum standards are needed and the intent of this legislation is supported by NCISS.

I have some comments on some things said previously real quickly.

On-the-job training, which Ben just addressed, also is very specific to the client needs. Whether it be at a hospital where you go over crisis intervention or our company just had all site supervisors in for training on blood-borne pathogens. We do training well beyond what was mentioned in the bill but more of a specific nature. The intent of the bill is to make sure that all officers have some minimum required training and I agree with that.

On the issue of criminal record checks, are they adequate? No, they are not. In the three States that I am involved in, it takes anywhere from 4 to 6 weeks to receive the verification back. On a phone check for weapons, basically when you send a fingerprint card in that helps ascertain that the individual's name on the card is that individual, which a phone check does not do.

Proprietary training has already been mentioned in the reports and I think those studies are skewed. It has been my experience on the street that there is a lot of smaller entities out there. You brought that forth, Mr. Chairman, and a point well taken.

For example, we just took over security at a facility near Detroit, a Presbyterian retirement home where they had maintenance men doing security. Obviously they are very good people but didn't have the specific training needed to deal with the environment that is involved there. That is just one example. I would venture to say that those types of entities would far outweigh number wise the larger corporations if they were added up. That is just a guess, but from my experience I would say that. The number of untrained proprietary people, their training is less than three times mentioned, I would say it would be more.

One last comment. I would say that a lot of the stories that have been said here are very emotional but by and large the good officers and the good people that work in our industry far outweigh the horror stories you have heard and read about. But that is the media. I dare say that could be said of any industry. Yes, the public does deserve a well-trained officer. That is paramount. That is all I have to say.

Chairman MARTINEZ. Thank you very much, Mr. Wunder.
[The prepared statement of Mr. Wunder follows:]

The Private Security Officers Quality Assurance Act of 1993

My name is Phillip Wunder. I am president and CEO of Continental Secret Service Bureau, Inc. with corporate headquarters in Toledo, Ohio. We also have active offices in Detroit, Michigan; Fort Wayne, Indiana and Mansfield, Ohio. We are a medium sized security company with approximately 450 employees in all three states.

I have been with our company since 1969 and virtually have worked in all positions within the company, to include Human Resources, Scheduling, Investigations, Accounting and Sales, and have been in my present position since 1986.

I am currently president of the National Council of Investigation & Security Services, Inc., which is a non profit organization that represents the security and investigative industry on a national basis. Our primary focus is on monitoring legislation that affects our industry. NCISS also is a professional networking organization that promotes high ethical practices in the security and investigation field. NCISS recognizes the free enterprise system and believes that fair competition encourages the development of quality services to both the client and the industry at large. We represent between 400 and 500 small to medium size businesses on a national basis.

Our company (CSSB), as stated previously, does business in Ohio, Michigan and Indiana. All three states have licensing requirements for the agency and registration requirements for security officers. In the state of Ohio we have training requirements for armed security officers. At this time none of these states have any other minimum training requirements.

Continental has a professional, excellent relationship with the governing agencies in all three states. It has been our experience that generally these governing agencies are understaffed and have a difficult time handling the administration of the security in their state.

NCISS supports minimum training and licensing procedures and in turn the increased professionalism of the security profession. We would like to support H.R. 1534 but have several points of concern on specific provisions within the Bill. They are as follows:

1. Sec. 5 #3. Allows an employer to assign an employee for a period not to exceed 90 days, to a state where the employee does not hold a valid private security officers registration permit. Said employee holds a private security officers registration permit from another state.

NCISS feels that Sec. 5 #3 should be stricken for the following reasons:

- a. Too difficult to enforce with states already finding it difficult to administer and enforce laws governing security officers. This provision would further burden the governing agency.

2. Sec. 7 Subsection (b) Annual Training. Requires a 4 hour refresher annually. NCISS feels this should be every two years for the following reasons:

Page 2

a. This adds an annual cost to our already burgeoning overhead. Also the scheduling headaches associated with replacing these employees at their assignments on an annual basis would be excessive as well as costly.

3. Sec. 8 (a), Issuing a 2 year renewal. NCISS feels the 2 year renewal should be eliminated. A security officer's private security officers registration should be good for as long as an employee works for the same company. We feel this way for the following reasons:

a. The added cost to small and medium sized agencies would not make this feasible.

b. The administration in tracking the employees as well as the administration in complying with the renewal process would also not make this feasible.

NCISS represents primarily small to medium sized agencies. The security members that I know personally, by and large, run some of the most professionally managed security agencies in the nation.

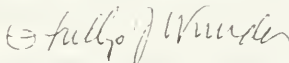
Our concerns, as already mentioned, go beyond the intent of this legislation. We own/manage small businesses that net 4% profit in a good year. With costs rising in all areas the added overhead and administration caused by sections of this Bill make our concerns very appropriate.

Can we pass on these extra costs to our customers? Not very easily, especially in a very competitive and recessional environment.

Larger companies enjoy economies of a scale that companies of our size do not enjoy. They (large companies) can absorb these added costs more readily than small business.

The administration to comply with the sections mentioned herein also translates into added overhead in the form of added employees, etc.

NCISS could support H.R. 1534 if positive consideration were given to the concerns already mentioned.


Phillip Wunder
President
NCISS

Chairman MARTINEZ. Let me start with you then, because it is obvious that you and the industry you represent by their own actions actually show that you do believe the need for training is there, the need for training people properly to be qualified to do the job they are going to do, and I guess I can equate to small businesses and their problems, having been a small businessman myself before I came to Congress. Well, before I went to the State legislature and then came to Congress. I always looked with some kind of rejection or even resentment to new regulations that came into our industry passed by the State legislature to protect the public. But I found in every instance once I made up my mind to conform, because I had to, the law required it, and adjust the things that I did to meet those requirements and needs, that always it ended up better for me. It was always a challenge for me to be a better businessman and serve the public better.

I think the same thing happens here and here it is even more apparent that you have already the inclination that there is a need for standards and training because you have done it to make yourself more professional and part of it to compete for business.

The problem is that this bill is not trying to set such rigorous standards and the cost of setting standards so high that it does cause any hardship to smaller companies. I believe that there is a need for smaller companies as well as there is a need for larger companies in everything we do. But the point is that we in this bill are only trying to establish the State's need to do it and then it would be up to the people in the States and the industries in the States to work with their legislatures to develop standards and tests to meet the particular requirements of that State.

I say that again to emphasize the fact that, like a lot of my colleagues, I don't believe the Federal Government has too much business interjecting themselves in micromanagement of programs in a State. Their real goal is where there is great cause for worry, what the public is enduring or having to put up with or suffering, that we have a responsibility to set a policy. That is what we are trying to do in this bill.

As I said to Mr. Poitevent, we would not want to harm a State that has high standards already or cause them to have to reduce their standards because of this bill, and we will continue to work towards adjusting the legislation to make sure we do that. We will look very hard at your concerns.

One of the most important aspects is the kind of people you hire, because going back to a statement you had in your written testimony, it says, too many security guards working in the United States today are unqualified, unreliable and violent. It is a problem for our society, or business, for each of us individually. It is a tragic situation with tragic consequences.

Given the idea that this bill is trying to address the degree of your ability to better discern who you are hiring and that person's background, what do you look for when you screen? We have found in the past when you do it on a State level you do it within a State and it has no relevance to what that person might have done in another State before he came to that State. So my concern would be, and hopefully your companies are addressing it there, what do you look for when you are screening?

Mr. WUNDER. Other than the basics, a high school education, many of the requirements that Mr. Lipman mentioned. Our standards are very high also. Somebody that is mature, somebody with public relations skills, obviously with good communication skills as well as a good background. We recruit from not just the paper but different local colleges. We recently attended a veterans organization that had military that were coming out. These are where you get good people and basically those are the types of individuals that we look for. High standards with hair cuts, no facial hair, no beards, and those are specific requirements. So we have very high standards.

Bottom line, and it is my reaction, that all these different tools to help screen psychological testing, drug testing, these things are all just tools. The basic, where you screen these people is the initial interview and we bring them in for a second interview with a second person. That is the process where you really screen the people as well as the background information that you get, et cetera. If that answers your question.

Chairman MARTINEZ. To a degree. I understand that when you look at individuals and their appearance and where they come from, where you recruit them from, those are important but there is always a potential for somebody—

Mr. WUNDER. That can be deceiving, yes. Some of the standards that are set out in this law would help that.

Chairman MARTINEZ. You mentioned in your testimony economies of scale. The larger companies with the volume of business can easily absorb the cost of complying with some of these things, but Mr. Lipman in his statement about the bill suggests rather strongly that restrictions in H.R. 1534 are insufficient and he would add both psychological and drug testing to the requirement. How does your organization respond to those proposals?

Mr. WUNDER. I hate to beat the word "cost" to death but I am trying to represent the people in my group. Those are all also good. My company also does drug testing and psychological testing. Personally I have no problem with the cost added to this. I represent some companies that have 10 employees, and we also do not—the charlatans in the business that will operate, circumvent the law, just put a warm body out there or a wooden Indian, if you will—we want to flush them out of the system, too. So we are in concert with that.

Chairman MARTINEZ. I am a great advocate too of an industry policing itself. I was a member of the industry association I was a part of and we did a lot to try to police ourselves.

Mr. WUNDER. You sit there all day and try to run a very professional organization and somebody else is at a low bid, and we do not low bid, puts somebody on the street that you wouldn't hang on a Christmas tree, pardon my language. It is true and some of the horror stories we heard today attest to that.

Chairman MARTINEZ. You bring out an interesting point, that a phone call doesn't do the kind of verification that a personal check will do.

Mr. WUNDER. A lot of these applicants are AKA, with different names. We had an employee that even with our own system came back that he had a clean record. We put him on a job site and we

did our own investigation. This particular State came back with information that this individual had a record under another name. I went through the roof. But these things happen, so—

Chairman MARTINEZ. That is the point I was trying to make, the verification of the individual. On the phone it can be anybody.

Mr. WUNDER. Good point.

Chairman MARTINEZ. Mr. Lipman, in portions of your statement it sounded like you were in support of us doing something, but not necessarily in support of the bill, but something being done because you state in your written testimony that many State security personnel can be hired in the morning and put on by lunch time and the employer doesn't have a clue to the person's background. That statement in and of itself, you indicate that we need to do something and on a national scale. I take it that part of your testimony is—I am trying to get to whether or not you support the bill or you would support the bill if it were stronger, if it were amended as you suggested and if we could get that passed, would you support the bill?

Mr. LIPMAN. I think Mr. Poitevent's focus on the reciprocity concern in Florida, not to have to take in the State of Florida various types of people that are security officers from other States that may be substandard, is the situation you can't have a bill that is going to be passed that is going to jeopardize the positive need for change in this country.

I am sure the committee is aware that in 1971, 22 years ago, the United States Department of Justice commissioned the Rand Corporation in California to do an extensive report of this industry because they were concerned then, back 22 years ago, as to the need for some effective change within the industry. That is about the same time that the Committee of National Security Companies was formed. I was a founding member of CONSCO. Basically CONSCO was formed to monitor legislation, which was even discussed at this table. Monitoring legislation to prevent progress is a serious problem.

I commend you for your interest in this industry. I think it is marvelous that you have taken the time to visit some of the companies and to learn about the industry. At the same time, however, this bill should not be a convenience for the national security companies. It should not be a convenience for anyone but the public. The problem is that we wouldn't stand nor would the public or the people that elected you or any of us, would never stand for police department personnel having the opportunity to be a police person after a felony conviction of 10 years elapsing. If you don't do it right the first time, it could be a menace not because there aren't good security companies out there, whether they are in Ohio or Michigan or Florida or New Jersey or wherever, but the standards need to be improved.

For example, in our own company we have found a way through cost to drug test all 8,000 employees of our organization prior to employment and during employment using not a dipstick type of a test, but an independent agency, and we have been commended by the Department of Transportation of the United States Government for what we have done. But we have had a better person. It also reduces cost, because you have less health cost, you have less

insurance cost. It is cost-effective if you come forward with having a more productive person that is not going to be a menace to society.

I feel thrilled that you have been interested in this industry. It has been a long time coming for any Member of Congress to take an interest in this serious problem. But the bill as it is prepared is a convenience for some of the large national security firms and it should represent a real progress to lead the smaller, the medium and other large companies.

Chairman MARTINEZ. Well, I thank you. But the—that belies the question, if it were a bill that had stronger standards in it, first of all let me say I don't believe in my opinion, or what motivates me is it is a bill of convenience. I have read many of the stories and watched many of the programs and been involved in incidents that caused me to believe that there is a real need for the improvement of security guards wherever they are serving and I could go into a couple of personal instances, one at Potomac Mills and one with a former member of the family, an ex-inlaw in which he was armed with a gun and this person should no more have had a gun than the man in the moon. Fortunately for us all they discovered his inadequacy and removed him from the position, not because of background searches but because of incidences he created during his employment. So from a personal aspect I want something passed that starts States being concerned about what is happening in their States regarding security and security officers.

If there are people on the floor that want to come forward with amendments that would strengthen this bill and the standards and it would still be passable, I would look at those as friendly amendments and accept them. The question is would you? If these standards were as strong as you have set for your own company and did not interfere with the rights of States like Florida, and we are working to address that particular problem Mr. Poitevent has about bringing officers in that don't meet standards they have set for themselves, I think we have done that adequately.

The bottom line question is if those were all addressed, the bill was something that had strong standards, high standards, would you support the bill?

Mr. LIPMAN. I would support anything that would really demonstrate real progress for this industry and save lives and protect property better.

Chairman MARTINEZ. Thank you. I wonder if you could expand on your view that the restrictive covenant ban is completely extraneous and irrelevant to the issue of standards in the private security industry? It seems to me that the purport of this legislation is to ensure that all security guards are better screened and better trained to be able to perform what I consider very difficult and demanding and vital tasks, yet you would say that once a person has been selected and trained by one company, he or she is prevented from taking that valuable training to another company.

I think such a restriction flies in the face of other laws and especially looking at the free agent clause in national football, is something that says if a person has a talent developed there or before or during, that he is able to sell that talent someplace else, I think such a restriction is somewhat antithetical and it would seem to

me that Guardsmark, with the high standards you have set for yourself and what seems to me to be a very ethical high mark, you would be as likely to recruit from competitors who had these same kind of talents as somebody else would be to recruit from you. If you had the comfort of knowing these private security officers would meet your standards that were trained in other companies, would you hire them?

Mr. LIPMAN. Let me respond about restrictive covenants. I think this issue is irrelevant to the major purpose of the bill.

Restrictive covenants are a business issue and a competitive issue and it is hard to see why this provision is in the bill at all except perhaps at the request of some private security companies that see the bill as a way of gaining a competitive advantage. It should not be the purpose of legislation to aid some companies over others.

Second, restrictive covenants protect the security officer. Many of Guardsmark's competitors seek to undercut us, win a contract and then hire away our security officers because they know our screening and training standards are unsurpassed. In many instances, the new company that wins the contract immediately cuts the security officer's salaries. In addition, the officers may lose seniority, vacation, and other benefits.

Third, restrictive covenants protect the investment in screening and training that we have made in our security officers as well as the goodwill relationships that we have built up with our clients. Our business is dependent on these relationships that we establish with our clients through our security officers and we firmly believe it is unfair for our security officers to use that goodwill against our interests.

The restrictive covenant used by Guardsmark allows our security officers to leave the company and market their services anywhere in the world except at the location where they were placed and trained. We have constantly——

Chairman MARTINEZ. Read that part again, the last part about you don't mind——

Mr. LIPMAN. The restrictive covenant used by Guardsmark allows our security officers to leave the company and market their services anywhere in the world except at the location where we place them and train them.

We have currently one lawsuit challenging our restrictive covenant because courts across the country have agreed with us that the restriction on the security officer is minimal and that we have the right to protect the investment we have made and the development of client relationships and in the screening, selection and training of our security officers.

Fourth, restrictive covenants help to raise the industry standards, so prohibiting them would actually work against the purpose of the bill.

At Guardsmark, we ensure quality by maintaining the highest standards in the industry. Our competitors love to undercut us and then hire these security officers. I would love to comment further on this, if I may.

Chairman MARTINEZ. Let me do this for the sake of time, because I would like to get into a dialogue with you on this because there is

part of it that I agree with. In a lot of contracts if a person buys a business from someone else they restrict them from going into business in an area. That is based in law.

There is another part that I disagree with like the free agent, if a person has a talent. He developed a lot of ability that he has from playing and experience with a team he has been with for several years.

Mr. LIPMAN. I really started this business in 1963 in a small building in Memphis, Tennessee, and it has been my life's work. Basically what happens is we now recruit, 30 percent of our security officers have attended college; 10 percent of our hourly security officers have 4-year baccalaureates. We go out and try to employ these people and we go through all of the procedures—for example, we give a psychological test to all employees, the Minnesota multiphasic personality inventory, the drug tests. You select the person and then you put them at the location and you train them at that location and you give them vacations and benefits and you want them to have a career with the company and develop and grow and you want them not to leave the company for their career, for the opportunity, so that the client doesn't want turnover.

What happens however is that some company can then come in to our client and say, okay, we will give you the same service that that company is giving you but we will save you \$100,000, \$200,000, \$300,000. We will do that, and what they have already done, if they take the people that we have provided, this whole selection process that we went through has gone to the competitor as the whole training process, and some of these people may have been with an organization like Guardsmark 15 years. So what happens is the people if they go to the other company lose their seniority, many of these security companies don't pay vacations, don't have any kind of fringe benefits, life insurance, health insurance. As a result of that, the people lose some of the fringe benefits that they have, the client gets a cheaper rate and this business goes back to becoming a body shop, and that is one of the reasons that we have focused so heavily on this.

In New York City, you can call up a union hall if you are a hotel and they will send you people and it is like a body shop. That is not what is going to grow this industry so that people that can look at a guard and say that is a security officer, that is not just somebody that is in a body shop or some kind of a hiring hall, the professionalism, the growth and what we are going to see in the next 5, 10, 15 years where private security people are going to have to take even more responsibility to help the police. As the great grandchildren of the baby boom emerge, it will be a greater problem.

Chairman MARTINEZ. I hope you will allow us to keep our dialogue going after this hearing. Either Mr. Sweeting or I would like to get in touch with you on these issues.

In your testimony you cited several instances and you state that if the committee believed those were isolated incidences you would be happy to furnish clips of an untold number of similar cases. If you could provide that for the record as a part of the necessity for us to do something?

Mr. LIPMAN. Mr. Chairman, we will supply reams of paper going back for the last 18 or 19 years. We have tracked clippings like this

and can produce it and mail it to you every Friday of all of these types of incidents.

Chairman MARTINEZ. You are getting my staff worried about what they are going to have to handle here. Never mind, I will handle them. I have high standards, too.

Mr. LIPMAN. You will ask us for it.

Chairman MARTINEZ. Yes. Thank you very much.

[The information referred to above is on file at the subcommittee office.]

Chairman MARTINEZ. I want to thank you, Mr. Poitevent, for the long way you have come and because I was very impressed when I visited your State. Our new Attorney General is from your State, of course. I understand that your job has been, your personal job has been to develop Florida's requirements for security officer licensing. One criticism that we have heard is that unlicensed operators can beat the system. We talked about that a little bit yesterday. You started to describe to us and I would like you to describe for the record your approach to ensuring that unlicensed operators are caught and put out of business.

Mr. POITEVENT. It is a continuing effort on behalf of the Division of Licensing, Department of State. We have a continuing investigative effort to identify and put out of business those unlicensed individuals or agencies operating in the State of Florida. It is especially a problem in south Florida where you have the multicultural mission and many of the businesses down there sometimes simply do not understand Florida law.

I will tell you that Florida disciplines both licensed and unlicensed agencies and individuals at the rate of approximately 35 per week. I have two attorneys, one of which spends his entire professional life on behalf of the Department of State going only to administrative hearings and court appearances. Those are 100 percent disciplinary actions, a large majority of which are against unlicensed agencies and individuals.

Chairman MARTINEZ. Thank you. One last question before I turn to Mr. Scott. We had some discussion here today about the transferring of personnel from one State to another and with the different licensing requirements. You had an emergency situation I guess in the case of Hurricane Andrew. Can you tell us how you dealt with the need for properly trained and screened security guards and with the public protection and safety needs that occur when a disaster like that occurs?

Mr. POITEVENT. We substantially rewrote the chapter and did allow for the possibility of having to respond to emergencies in 1990. Within 48 hours after the hurricane, we had drafted and filed an emergency rule with the State legislature to assure that Florida licensed agencies could bring their licensed security personnel from another State with the prior approval of the State of Florida, if they were licensed and if the State from which the individual was being brought had training standards and licensure requirements equal to or greater than the State of Florida. Many of the large agencies used that very well.

Chairman MARTINEZ. Equal to or greater than?

Mr. POITEVENT. Yes.

Chairman MARTINEZ. Mr. Scott.

Mr. SCOTT. How many States would qualify for reciprocity with Florida?

Mr. POITEVENT. Mr. Scott, with reciprocity, under the standard of the rule, we—that I recall, I believe we had 10 States that we allowed security personnel to come from.

Mr. SCOTT. I just have a couple of questions, Mr. Chairman.

Mr. Lipman, you mentioned in your list of things to check on background and what not, citizenship. Could you tell me why that is important?

Mr. LIPMAN. Mr. Chairman, during the Desert Shield and the Desert Storm period in our Nation's history, it became a serious concern as to whether citizens that were employed by Guardsmark could have become or could have been any kind of threat to our organization or to the country. There is a continuing immigration into the United States of people, and this industry is one that has a large amount of people that may not be citizens and may not have any kind of intent to become citizens. I have a personal concern as to whether those people should be in any kind of critical position that might endanger our customers' facilities.

Mr. SCOTT. Thank you. I am not sure, maybe Mr. Poitevent, did you mention in your testimony, point out the fact that there is no examination at the end of the training?

Mr. POITEVENT. In Florida there is. I referred to other States who do not have an examination requirement.

Mr. SCOTT. What is the incremental value of the examination rather than the number of hours in training?

Mr. POITEVENT. What is the weight given to the examination, is that your question?

Mr. SCOTT. Why do you have the exam when most people just have the number of hours of training?

Mr. POITEVENT. To assure at least an understanding of basic proficiency to be sure they didn't necessarily just attend the necessary number of hours in training, but they also learned in the process.

Mr. SCOTT. Does that add to the expense of enforcement and supervision of the program?

Mr. POITEVENT. I am sure it does. It adds an additional hour to the training program. Just that alone would add some I believe minimal expense, yes.

Mr. SCOTT. Do others want to comment on the question of whether an exam ought to be developed at the end of the training?

Mr. LIPMAN. I agree that the competency examination is necessary. We do it as part of our training program to be sure that the training has been absorbed. It is very critical.

Mr. WUNDER. I agree with an exam.

Mr. SCOTT. Mr. Poitevent, do you know the cost to the State or do you have a cost per employee or fee per employee for licensing?

Mr. POITEVENT. As far as State employees, sir?

Mr. SCOTT. For licensing security guards. Do they pay a fee to become licensed?

Mr. POITEVENT. Yes, sir, including the application fee and licensing fee will be in the neighborhood of \$45 to \$55.

Mr. SCOTT. Does that cover the entire cost of the program?

Mr. POITEVENT. It does, sir, yes.

Mr. SCOTT. So there is no cost to the taxpayer?

Mr. POITEVENT. There is zero cost to the taxpayer. The industry pays to regulate itself.

Mr. SCOTT. I did have another question. Mr. Wunder, do the insurance premiums charged to the various companies vary depending on—do insurance companies look at the training provided to the employees and assess a more favorable insurance rate to those companies that have better training?

Mr. WUNDER. For your general liability, I am not aware that they do.

But the—I am not aware that they do.

Mr. LIPMAN. Basically, the better procedures that you have for selection and training and supervision have a effect on the impact of the amounts of accidents, injuries or false arrests that you would have, so the more you would put into selection or training, the more you would save and the less you would have in your experience cost for insurance on how you are rated by the insurance company.

Mr. SCOTT. Do most companies have an experience factor?

Mr. LIPMAN. There is an experience modification factor within basically Workers Compensation and an experience factor for general liability on a comparison of all of the industry members, all 134,000 pooled together, and people pay either above or below a standard rate based on their own experience.

Mr. SCOTT. Thank you, Mr. Chairman.

Chairman MARTINEZ. Thank you, Mr. Scott. I think we—we timed this just right because now we will have plenty of time to get to our vote.

I want to thank the witness for being with us to provide us with this valuable information and testimony as we move forward to try to put before the House a bill that we can get consensus on and passage on so we can set high standards and professionalism in the guard industry.

Thank you again.

The committee is adjourned.

[Whereupon, at 12:30 p.m., the subcommittee was adjourned.]

Robert James Fischer

Biographical Sketch

Robert James Fischer was born on March 27, 1948 in Prairie du Chen, Wisconsin. He attended the Durant Community grade school and high school in Durant, Iowa. In 1970, he graduated from Western Illinois University with a BA in History. In 1974, he received a second baccalaureate in Law Enforcement Administration and a Masters of Arts also from Western Illinois University. He completed a Ph.D. in Education at Southern Illinois University in 1981, concentrating in law and security administration.

Robert's work experience includes service as a patrol officer, relief watch commander, investigator, and training officer for the University of Oklahoma - Norman Police Department. He served as the internship coordinator and as chairperson for the Law Enforcement Administration Department at Western Illinois University where he is currently a senior Professor teaching management, statistics, investigation, senior seminars and security administration.

Robert has written extensively with articles appearing in *Assets Protection, Security Management, Security Systems Administration, Police Chief, the Journal of Police Science and Administration* and the *Journal of Security Administration*. Robert also serves as the Senior Editor for the *Journal of Security Administration* as well as for other regional and state publications. Robert is also the co-author of two books: *Introduction to Security* 5th edition, Butterworth-Heinemann 1992, and *Suggested Preparation for Careers in Security/Loss Prevention*, Kendall Hunt, 1991, and has a chapter in *Critical Issues in Criminal Investigation*, 2nd Edition, Anderson Publishing 1988.

Robert is also actively involved in criminal justice/security consulting work having served as a security consultant for K-Mart, King Seeley Thermos, the State of Illinois Local Governmental Police Officers Training Board, and others. He is the Co-Director of Assets Protection Associates, Inc. He has been Secretary, Foundation Liaison Officer, and Vice-Chairman of the Quad Cities Chapter of the American Society for Industrial Security (ASIS) and served as Editor of the Chapter's newsletter. He is also a life member of other organizations such as the Academy of Criminal Justice Sciences and the Academy of Security Educators and Trainers, having served on its Board of Directors. Robert has also served as Chair, Vice-Chair and member of the ASIS national committee on Academic Program in Colleges and Universities, and as a member of (1) the ASIS national Committee on Retail Security, and (2) the ASIS national committee on Institutional Security. Robert is currently Secretary and Editor of the newsletter for the Quad Cities Chapter of ASIS.

As a result of his expertise in security and police administration, Robert was invited as one of 26 delegates to the First Chinese-American Police Conference held in Taipei in March 1986.

Rural Crime Prevention-- Developed an 8 hour program which was offered for the Northern Illinois Criminal Justice Commission, Mt. Carroll, December 1985 and the Illinois Valley Criminal Prevention Commission, Princeton, March 1985.

Crime Prevention-- Developed an 8 hour program which was offered for the Western Illinois Police Training Unit, Galesburg, January 1985.

Supervisory Management-- An 8 hour program developed for the Central Illinois Regional Commission for Law Enforcement, Decatur, October 1983.

Public and Private Law Enforcement Functions-- 16 hour program developed and offered for the Central Illinois Regional Commission for Law Enforcement, Decatur, September 1983.

Leadership-- 8 hour program developed as part of the 80 hour Command Management Program offered by Western Illinois University (certified by the Illinois Local Governmental Police Officers Training Board), offered April 1980, May 1981, November 1981, and November 1982.

The Shoplifting Problem and Its Prevention-- 8 hour program developed for the Macomb Chamber of Commerce, October 1981.

Traffic Enforcement-- 8 hour program developed as part of a 40 hour program *Basic Training in Police Techniques* developed for the U.S. Department of Interior, Corps of Engineers, offered April 1979, May 1979 and April 1980.

A list of programs developed prior to 1980 will be provided upon request.

Grants

Illinois Law Enforcement Media Center, \$64,000, submission to the Illinois Local Law Enforcement Police Officers Training Board, May 1993 (with John Wade and Patrick Stout).

Illinois Executive Institute for Police, \$200,000, submission to the Illinois Criminal Justice Authority for the Illinois Local Governmental Police Officers Training Board, May 1991, NOT FUNDED, (with Terrance Tranquilli).

Illinois Police Equivalency Examination, \$4,500, Illinois Local Governmental Police Officers Training Board, 1991, (with Steven Cox and John Wade).

Journal of Security Administration, \$2000, 1987-88; \$2,250, 1989-90, London House Publishing; \$2500, 1991, \$5,000, 1992-93, BLSS Inc.

120 Hour Security Training Course, \$5,754, JPTA through Noncredit Program, Western Illinois University, July 1984, (with Margene Weiss).

Library Security Problems, \$1350, University Research Council, January 1984.

Higher Education and Promotion in Illinois Law Enforcement Agencies, \$10,668 University Research Council, Western Illinois University Faculty funded, 1980, (with Bruce Heining and Kathryn Golden).

Establishment of a Resource Center in Law Enforcement Administration-- \$3000 Western Illinois University Faculty Development, May 1980, (with Bruce Heining and Kathryn Golden).

Editorial Work

Editor, *University Views*, October 1992 - present; local/community publication., 1000 copies per issue.

Senior Editor, *Journal of Security Administration*, April 1987 - present; one of two referred security publications with worldwide distribution.

Editor, *Illinois Association of Police Planners Newsletter*, 1991-92; statewide newsletter published on a need basis for the Illinois Association of Police Planners.

Editor, *Security Hotline*, 1986, 1993, regional monthly newsletter for the Quad Cities Chapter of the American Society for Industrial Security.

Referee, *Journal of Developing Areas*, 1988-- "Bureaucratic Response to Political Change: The Royal Hong Kong Police and Decolonization," 1985-- "Economic Development and the Problem of Crime."

Additional editorial work prior to 1980 will be provided upon request.

Publications

"The Role of Regulation: U.S. Regulation of Security Officers Lags Behind Other Countries," *Security Management*, March 1993, (with John Chuvala III).

Theory and Practice in Security Operations, under consideration, Anderson Publishing Co., Cincinnati, OH, 1992, (with John Chuvala III).

Introduction to Security, 5th edition, Butterworth-Heinemann, Stoneham, MA, 1992.

Instructors Manual for Introduction to Security, Butterworth-Heinemann, Stoneham, MA 1992, (with Ken Durkin).

Suggested Preparation for Careers in Security/Loss Prevention, Kendall-Hunt, Dubuque, IA, 1991, (with John Chuvala III).

"Culling a Contract Company-- Are You a Clever Consumer?" *Security Management*, April 1990. Reprinted in *Liability: ASIS Reprint Series*, ASIS, Arlington, VA, 1990, (with John Chuvala III, and Julie Gilmore).

"Security Internships: Linking Good Students with Good Jobs," *Security Management*, February 1988, (with Ken Durkin).

"Arson Investigation: One Means of Preventing Future Fires," (with William McCahey) chapter in *Critical Issues in Criminal Investigations*, by Michael Palmiotto, Anderson Publishing, Cincinnati, OH, 1987, 2nd edition, 1988.

Instructors Manual for Introduction to Security, Butterworths Publishing, Stoneham, MA 1987, (with Ken Durkin).

Introduction to Security, 4th edition, Butterworths Publishing, Stoneham, MA, 1987, (revised text authored by Gion Green-- deceased).

"Victim Compensation Laws: Are They Effective? A Study of Iowa and Illinois Victim Compensation Laws," *Proceedings of the World Congress of Victimology*, Orlando, FL, December 1986.

"About the Security Degree-- Are We Losing Its?" *Journal of Security Administration*, June 1986, (with Norman Bottom, et. al.).

"Measuring Police Performance-- Lessons Learned by the American Police," *Proceedings of the First Chinese American Police Conference*, Taipei, Taiwan, ROC, March 1986.

"Education for Police Officers: An Illinois Study," *Journal of Criminal Justice*, September 1985, (with Bruce Heininger and Kathryn Golden).

"1984 Fall Report: Committee on Security Issues in Libraries," Committee on Library Security, WIU, internal report, July 1984, (with Deborah Pavelka).

"To What Degree?" *Security Management*, April 1984.

"A Report Card on Security Education," *Security Management*, September 1983.

"Security Education and Training: A Gradual Growth in Research and Literature," *Security Systems Administration*, May 1983.

"The Growing Need For Interdepartmental Cooperation: A Strategy to Offset the Economics of the 1980's," *Proceedings of the Post Doctoral Academy of Higher Education*, Carbondale, IL, April 1983.

"The Development of Baccalaureate Degrees in Security 1957 - 1980," *Proceedings of the Post Doctoral Academy of Higher Education*, Carbondale, IL, April 1982.

"Administration in Law Enforcement: An Organization as a Systems of Systems," *The Police Chief*, December 1981.

"Managers, Accountants, and Auditors: The Computer and Their Obligation to Learn About It," *Assets Protection*, November/December 1981, (with Deborah Pilscher and David Rhine).

"Is Education Really An Alternative? The End of a Long Controversy," *Journal of Police Science and Administration*, September, 1981.

"Security Education: Yesterday, Today and Tomorrow," *Journal of Security Administration*, July 1981.

"Higher Education in the 1980's: A Perilous Decade," *Proceedings of the Post Doctoral Academy of Higher Education*, Carbondale, IL April 1981.

"Security Education and Training: What Are the Needs?" *Security Management*, April 1980.

"A Security Baccalaureate: Is the Time Right?" *Security Management*, March 1979.

"Arson Prevention," *Journal of Security Administration*, December 1978.

Published Interviews

"LEA Department Offers Service Programs," *McDonough Democrat*, January 1, 1989, and *Illinois Municipal Review*, January 1989.

"Universities Moving Toward Refining Security Courses, Offering Security Degrees," *Hotel/Motel Security and Safety Management*, August 1984.

"Security Spotlight: Institutions of Higher Education," *Security Management and Plant Protection*, February 25, 1983.

"Shoplifting Professor Speaks Out," *Quincy Herald Whig*, Friday, December 18, 1981.

Published Reviews

"Teaching Adult Security Officer," John Chuvala III (video tape) by Horizon Institute, reviewed and published in *Journal of Security Administration*, December 1991.

Fraud and Deceit: How to Stop Being Ripped Off, John W. Suthers and Gary L. Shupp, published in *Journal of Security Administration*, December 1984.

Professional Papers

"Victim Compensation Laws: Are They Effective? A Study of Iowa and Illinois Victim Compensation Laws," World Congress on Victimology, July 1986, Orlando, FL, (with Ray Kasak, et. al).

Measuring Police Performance: Lessons Learned by the American Police," First Chinese American Police Conference, March 1986, Taipei, Taiwan, ROC.

"Security Education: Twenty-five Years of Progress: Are We Any Better Off Today?" Academy of Criminal Justice Sciences, March 1986, Orlando, FL, (presented by Robert Reinertsen).

"The Growing Need for Interdepartmental Cooperation: A Strategy to Offset the Economics of the 1980s," Post Doctoral Academy of Higher Education, April 23, 1983, Carbondale, IL.

"Who Are the Security Students; A Profile," Academy of Criminal Justice Sciences, March 1983, San Antonio, TX.

"The Community College as a Source of Security Majors for Four Year Institutions: A Study of the Midwest," Midwest Academy of Criminal Justice Sciences, October 1982, Indianapolis, IN, (with Michael Palmiotto).

"The Development of Baccalaureate Degree Programs in Security 1957-80," Post Doctoral Academy of Higher Education, April 1982, Carbondale, IL.

"Issues in Higher Education and Law Enforcement: An Illinois Study, Academy of Criminal Justice Sciences, March 1982, Louisville, KY, (with Kathryn Golden and Bruce Heiningier).

"The Relationship Between Public Police and Private Security: Potential or Peril," Midwest Academy of Criminal Justice Sciences, October 1981, St Louis, MO, (with Bruce Heininger and David Steeno).

"Security Internships: A Two-Way Street," Annual meeting of the American Society for Industrial Security, September 1981, New Orleans, LA.

"The Enforcement Function: The Relationship Between Public Police and Private Security," annual Spring Conference on Criminal Justice, April 1981, Normal, IL, (with Bruce Heininger and David Steeno).

"Higher Education in the 1980s: A Perilous Decade," Post Doctoral Academy of Higher Education, April 1981, Carbondale, IL.

"Arson Prevention: Can It Work?" Midwest Academy of Criminal Justice Sciences, October 1980, Moline, IL.

"Security Education: Is It Too Early to Draw Conclusions?" American Society for Industrial Security, September 1980, Miami, FL.

"Security Education: Today and Tomorrow," Academy of Criminal Justice Sciences, March 1980, Oklahoma City, OK.

Recognitions

Invited member *Partner in Education, Department of Transportation*, April 1993, develop curriculums (training, baccalaureate, masters) for transportation security. Elected Secretary for the Coalition.

Listed in *Who's Who in Security*, 1989.

Invited panel member, *5th Annual Joint Professional Development Conference*, "Developing and Promoting POST- Effective Management," University of Houston, November 1988.

Invited to attend the *International Juvenile Justice Conference*, Taiwan, ROC, December 1987.

Mentioned in *PTI Briefs*, Fall 1987, p. 32, Police Training Institute, University of Illinois.

Invited panel member, "Issues in Security: Training and Education Standards as Reported in the Hallcrest Report," American Society for Industrial Security, September 1986, New Orleans.

Mentioned in article "ROC Hosts First Chinese American Police Conference," *Criminal Justice International*, May/June 1986.

Invited as one of the delegates to the First Chinese American Police Conference, Taipei, Taiwan, ROC, March 1986.

Invited panel member, "Licensing of Private Security Personnel," American Society Public Administration, March 23, 1985, Indianapolis.

Mentioned in article "Local Officials List Legal Priorities," *Macomb Journal*, February 1, 1985.

Mentioned in article, "Task Force Meets," *Security Management*, February 1985.

Featured in "Security Profile," *Security Systems Administration*, February 1984.

Outstanding Young Men of America, May 1983.

Listed in *Criminal Justice Educational Directory*, 1983

Listed in the *National Faculty Directory*, Gale Research, New York 1983.

Listed in *Speakers and Lecturers: How to Find Them*, 2nd edition, Gale Research Co., Detroit, MI.

Professional Associations

International Foundations of Protection Officers, 1993

Illinois Association of Chief of Police, 1989 - present. (Public/Private Liason Committee 1989).

Illinois Sheriffs Association, 1980 - present.

Illinois Criminal Justice Educators, 1976 - present (member Board of Directors 1990-1991).

Academy of Criminal Justice Sciences, 1976 - Life Member
Placement Committee, 1987; Member Security Section 1992 - present; Chair,
Security Sessions, 1993 Annual Meeting (appointed by President)

American Society for Industrial Security, 1975 - present (Quad Cities Chapter)
Secretary, 1976, 1993; Editor, newsletter, *Security Briefs*, 1976-77; Foundations
Liaison Officer, 1978; Vice Chair, 1980; Editor, newsletter,
Security Hotline, 1986, 1993.

American Society for Industrial Security (National level)
Academic Advisory Council, January 1986 - present; Standing Committee on
Academic Programs in Colleges and Universities, 1979-90, 1993; Chair, 1982 and
1984; Vice Chair 1980-81; Standing Committee on Retail Security, 1981;
Standing Committee on Institutional Security, 1981.

Academy of Security Educators and Trainers, Charter and Life Member (Board of Directors
1978-80).

Education

Ph.D., Southern Illinois University, Higher Education Administration, 1981.

M.A., Western Illinois University, Geography, 1975.

B.S., Western Illinois University Law Enforcement Administration, 1975.

Doctoral work, University of Oklahoma, Geography, 1972-74

B.A., Western Illinois University, History, 1970.

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Policy Review
sent. 3/3/87

I*II

A DISCUSSION OF THE HALLCREST REPORT RECOMMENDATIONS ON EDUCATION
AND TRAINING FOR PRIVATE SECURITY
IN REACTION TO THE PRIVATE SECURITY BILL

§ 190

In 1985, the Hallcrest Corporation published, its National Institute of Justice sponsored report on private security. As with previous studies of the private security field, the Reports offered recommendations for leaders in the private security field to consider. One area studied involves the changes in education and training since the publication of the Task Force on Private Security Report. ^{BOTH REPORTS} ~~The Hallcrest group~~ found that much has changed in the area of education for private security. However, the same cannot be said of training. This paper takes a look at the changes which have occurred in the areas of training and education and evaluates the recommendations set forth by ~~the~~ ^{I support by Hallcrest} Hallcrest ~~group~~. The discussion will include an analysis of various state training laws and legislation concerning security services as well as a look at the great washout of security programs which has occurred during the past ^{Decade} ~~two years~~.

Training or Education: What is the Difference?

Before we can discuss the changes, recommendations, and evaluation of training and education, it is necessary to make a distinction between the two. It must be understood that education is indeed distinct from training. The argument that education and training are one and the same has been continued by

criminal justice/security practitioners far too long. While it is difficult to argue that training and education are mutually exclusive terms, certainly they are not the same. Webster defines education as "the act or process of educating; the discipline of the mind or character through study." He defines training as the process of one who trains. Training refers to the act of "forming by instruction, discipline, drill, to teach so as to be fitted, qualified, proficient." While both education and training develop skill, education is aimed at developing the skills of the mind, and training focuses on developing the mechanical skills and the basic knowledge which must accompany these skills. For example, handcuffing and marksmanship are "skills" because they require practical "hands on" experience in order to be mastered. Education for security personnel should be aimed at developing a mature-thinking person. For the most part, courses such as Security Management or Current Problems in Security Administration, do not teach skills (although certain skills such as calculating an exposure index may be taught as a portion of the course), rather they should develop a mature thinking, knowledgeable individual.

With this understanding of the difference between training and education, it is apparent that education is aimed at developing managers, while training is for line personnel who need specific skills to perform their assigned tasks.

Hallcrest Recommendations

Training

After a thorough review of the education and training currently being offered, the The Hallcrest Report made the following recommendations:

1. **Standards, Codes of Ethics and Model Licensing.** The efforts of the PSTF and PSAC have stood the test of time, and both groups were well represented by law enforcement, business, and all facets of the security field. Statewide licensing should be required for guard and patrol, private investigation and alarm firms. The profound effects on upgrading private security relationships with law enforcement will occur as a result of the cooperative action of the security industry, law enforcement, and state governments in implementing the measures encompassed by the PSTF and PSAC efforts.
2. **Statewide Preemptive Legislation.** Although law enforcement seeks closer local control over private security, a proliferation of local licensing ordinances deters adoption of minimum standards and imposes an unnecessary financial burden on contract security firms with the redundant licensing "paperwork" and fees. Some latitude might be granted local law enforcement to impose tighter control on some aspects of private security operations, but they should not be unduly restrictive and should withstand tests and measures of cost-effectiveness.
3. **Interstate Licensing Agency Reciprocity.** Interstate operations of contract security can be unnecessarily hampered by having the same personnel comply with different personnel licensing requirements of adjacent states-- and sometimes cities and counties. The same standards of state-level licensing and regulation in all states and reciprocity (i.e., recognition of other states' regulatory provisions) would facilitate more efficient delivery of security services and decrease state regulatory costs. (Cunningham, 1985, p.265)

Education

The report recognizes the tremendous impact which law enforcement education has had on shaping education programs in security. From a review of the literature it is apparent that educators do not share the same views on the placement of security curriculums in colleges and universities. View one shows preference for equal status with law enforcement programs since the fields are highly interrelated. A second view is that security should be a completely independent major with alliances with business departments. And yet a third view indicates that the placement of the program is not as important as the interdisciplinary approach to the curriculum. The degree designation is of little importance. Hallcrest authors indicate that with a dearth of scholarly output "it is debatable whether security, in the traditional academic sense, can be considered a separate body of knowledge" (Cunningham 1985, p. 264). However, their observation is moot considering the growth of security education programs over the last 20 years. As noted in 1981, security education has grown to include over 150 institutions offering associate degrees, 35 offering bachelor's and 10 offering master's degrees (Fischer, 1981, pp. 65-70).

The authors specifically recommend that a Private Security Institute be established to provide research funds and better educate executives to the need for education and research programs. In addition, the authors reiterate the recommendations of the PSTF in developing professional certification and applaud ASIS for the development of its CPP program. The other major

recommendation noted by the authors involves certification programs for operations personnel along with mandatory minimum levels of training. This PSTF recommendation has had little impact, and the Hallcrest authors again suggest that something be done to provide leadership in these areas. However, they note that the best regulator is the marketplace. The authors recommend a balanced approach between industry-imposed standards and preemptive state legislation (Cunningham, 1985, pp. 263,264).

Changes in Training? - 1987

Until recently, few security officers were educated beyond high school and even fewer received adequate pre-job or on-the-job training to perform the tasks so often assigned to them. While the public sector had its Wickersham Commission in the 1930s, the President's Advisory Commission Report on Police in 1974, and the Police Foundation report, The Quality of Police Education, in 1980, the private security sector had not been studied intensely until the past two decades.

The Task Force on Private Security published its findings on the private security industry in 1976, and substantiated an earlier study by the Rand Corporation (1968), which indicated that the private security occupation was a very open and unregulated giant, and that its order-maintenance function was mistakenly overlooked. Both studies raised questions concerning the need for training of security personnel and discussed the need for academic professional preparation programs. In 1985, The Hallcrest Report found some progress in both areas. However, a 1987 report on licensing standards concludes that

"the security industry is essentially an unregulated or underregulated industry. Accordingly, the mere fact that a company is registered with or licensed by a state to provide security services may have little to do with the capability of the company to provide reasonable security services." (Moore, 1987, p.22)

The fact is that the status of private security training has traditionally been low. A study conducted by the Private Security Advisory Council in 1978 for LEAA indicated that while security training programs were being offered by law enforcement agencies, educational institutions, training facilities, and contract or proprietary security firms, the quality varied widely. The variety in the programs was simply explained by the fact that there were no uniform standards for courses, their content, length, method of presentation, instructor qualifications, or student testing (Private Security Advisory Council, 1978, p. 1). The Report of the Task Force on Private Security found the same lack of quality programs and for the first time made specific recommendations as noted earlier in this paper (Private Security, 1976, pp. 88-89). Unfortunately, many of these recommendations have yet to be implemented, although the Hallcrest Report indicates that some progress has been made.

In their site surveys the researchers from Hallcrest found that while the majority of all guards (both proprietary and contract) had received some pre-job training, in the contract area forty percent of the guards had completed only on-the-job training. Table A reflects the results of the national survey on

range of classroom and on-the-job training. In general it is apparent that proprietary security personnel report more training than contractual personnel. While the Private Security Task Force (Standard 2.5) recommended that contract security personnel complete a minimum of eight hours of formal pre-assignment training, as well as a basic training course of at least thirty-two hours within three months of assignment, survey results indicate that this standard is far from being implemented (Cunningham, 1985, p. 264).

INSERT TABLE A

Considering the importance of private security personnel in the anti-crime effort and their quasi-law enforcement functions it is ironic that they receive so little training in comparison to their public sector contemporaries. While it is ironic, the answer to why is obvious! Legislation mandates training for public law enforcement personnel, whereas this is not the case for security personnel. A look at licensing standards for private security companies reveals that little has changed with regard to regulation of this huge and growing giant (See Table B). Considering the lack of progress in establishing uniform training standards, it is difficult to support the Hallcrest contention, that the "best regulator" is the market place. In addition, it is doubtful that the states will provide any better

COMPARISON OF SECURITY TRAINING HOURS REPORTED BY MANAGERS AND EMPLOYEES

TYPE OF TRAINING	MANAGERS		EMPLOYEES	
	National	Surveys (N=)	Site	Surveys (N=)
Pre-Assignment				
Proprietary	60%	24 hrs (646)	60%	24 hrs (110)
Contractual	59%	8 hrs (545)	60%	8 hrs (78)
On-The-Job				
Proprietary	36%	40 hrs (646)	54%	80 hrs (110)
Contractual	52%	16 hrs (545)	56%	16 hrs (78)

SOURCE: National Survey of Proprietary and Contractual Security Managers, (1981); Site Surveys of Security Employees, Baltimore County, Maryland and Multnomah County (Portland), Oregon metropolitan areas, (1982), Hallcrest Systems, Inc.

guidance.

INSERT TABLE B

In a recent article, Richter H. Moore reports on the licensing of security companies. The following table summarize Dr. Moore's findings. In general eight states (Alabama, Idaho, Kentucky, Mississippi, Oklahoma, Oregon, South Dakota, Washington) still have not enacted legislation regulating the private security industry. In the states which do have legislation the key words which might be used to describe the composite package of legislation are "lack of uniformity." Dr. Moore reports that terminology is not uniform, but more importantly, there is no consensus on the degree to which the state should regulate training, licensing, and education/experience. Few states require education beyond the eighth grade, and only thirteen states require examinations to be taken to determine level of ability (Moore, 1987, p. 22).

It is also interesting to note that while thirty-five states do attempt to regulate security, only twelve include proprietary security forces in their regulatory statutes. Moore notes that this has established a double standard for in-house and contract employees performing essentially the same functions (Moore, 1987, p.24).

On a positive note, Dr. Moore indicates that thirty-three of

the thirty-five states have amended or added private security statutes. During the past three years, Twenty-three have done so (Moore, 1987, p. 24). However, these changes have not produced the control which the security industry appears to need!

Changes in Education? - 1987

In 1976 the Task Force on Private Security located forty-nine community colleges offering at least one course in private security, six community colleges offering a certificate program, twenty-two community colleges offering a two-year program leading to an associate degree, four four-year colleges offering a program leading to a baccalaureate degree, and one graduate level program. (Private Security, 1978, p. 270). In 1981, a study by Fischer identified twenty-five institutions which offered a four-year baccalaureate degree program in private security, seven of which also offered graduate work, and one of which offered a program only at the graduate level (Fischer, 1981, pp. 65-70).

Although at least twenty-six institutions of varying size and administrative organization offer degrees in security, certain generalizations can be made about security education at the baccalaureate level. In general, programs are small, and are staffed by faculty who have more experience in public law enforcement than in security. Despite the small size of programs, most institutions are optimistic about the future of security education. Such optimism is expressed in terms of plans for future expansion and support for development of a Ph.D. program in the area of security administration.

Despite this optimistic view, a rather negative view on the

future of security education was recently expressed in the Journal of Security Administration Fall 1986 which reported that the Academy of Security Educators and Trainers noted the following trends (Bottom et. al., 1986, p.7).

1. Over sixty colleges dropped their security degrees
2. Degree programs are housed within wrong departments
3. Flight of senior security educators back to industry

While much of what the Academy of Security Educators and Trainers (ASET) observed is interesting, and to a large degree, accurate; the conclusions are open to discussion and debate. The fact is that some security programs have prospered while others have failed. It must be remembered that security education is still in the developmental stage. The final determinant of program success or failure is the program's ability to deliver a product which is attractive to the security industry. If the graduates of a program are not of adequate quality, the program will fail. And while criticisms are many, there are programs which have been able to identify problems and develop successful degree plans. A close look at the demographics of one of the successful programs reveals a continuing development of security offerings, and increasing enrollments. In addition, responses from graduates of the program indicate that a large proportion of its majors entering the security field eventually achieve high-paying security jobs in administrative or supervisory positions.

The 1984 Security World survey of security professionals reported that a full fifty-eight percent of the respondents reported have college degrees, up ten percent from 1980. Of even

greater significance is the fact that eighteen percent have Master's degrees. For the mid-management range, the median educational level achieved was a bachelor's degree. At the lower supervisor/line officer level, the median level, surprisingly, was an associate degree. However, of interest was that at the highest level the median education was also the associate level. This may be explained by the fact that education was not as important when these persons first entered the field (Lydon, 1984, p. 26-30).

It appears that education has improved in the security field over the last 20 years. The future of security education is excellent when one considers the growth which is evident in the field. As Dr. Norman Bottom said in 1982,

People are security-conscious today, and we're seeing more security programs being offered in colleges and universities, especially as courses in criminal justice programs. That trend is likely to continue (Security World, January 1982).

While this statement has recently been challenged as noted above, it is the opinion of many security professionals that the field is simply cleaning house and that the "diploma mills" are being discarded in favor of more practically oriented academic programs.

The Hallcrest Report best summarizes the issue of security education. Growth in the past ten years has been considerable and, despite the recent exodus of some programs, those which are firmly established will continue to flourish. As the Report indicates, "many of the programs have bridged the gap between

theory and practice with internship programs in business and industry." However, the Report also stresses that additional recognition of security as an academic discipline waits the development of a Private Security Institute. This possibility may soon come to fruition with the American Society for Industrial Security as a leader.

The CPP and other Certification Programs

Certification in some areas of the private security sector has become a reality during the last ten years. Today it is possible to receive several certification designations each of which has its special appeal. The most notable is the Certified Protection Professional (CPP) certification sponsored by the American Society for Industrial Security (ASIS). The CPP is designed for security managers only. In 1983, the International Association for Computer Systems Security (IACSS) developed the Computer Systems Security Program (CSSP). In 1981, the Academy of Security Educators and Trainers developed the Certified Security Trainer (CST) program. And of course other groups have also developed various programs to identify competence in specific areas.

For purposes of this paper, and because it was discussed by the Hallcrest authors, an analysis of the CPP program only will be presented in the following paragraphs. The CPP program began in 1977 designed to recognize management personnel who possessed professional protection knowledge. Today the designation has expanded into the area of credentialing for security management positions. The goal of the program is to "improve the individual,

raise the general level of competency in the security profession, promote high standards of professional conduct and provide evidence of management or professional performance capability" (Abrams, 1985, p. 141).

The success of the program is evident. Ads for security managers, which appear in such publications as Security Management, or the Wall Street Journal, commonly require or indicate preference to candidates with CPP designations. In addition, Table C indicates that a large number of individuals have not only taken the CPP examination, but have been successful in achieving this recognition. Certification in general is more important in today's market than ever before. Unfortunately, the certification programs are aimed primarily at administrative personnel (particularly the CPP) who may already have college degrees. It is too bad that certification of line security personnel, while available from a variety of colleges and independent firms, has not been as widely accepted by the industry and perhaps more importantly that certification has not been required by all states!

INSERT TABLE C

Conclusions/Evaluation of the Hallcrest Recommendations

From the preceding discussion, it is apparent that security

	Certified by review*	Certified by examination	Total designated
1977	610		610
1978	923	39	962
1979	—	102	102
1980	—	221	221
1981	—	333	333
1982	—	282	282
1983	—	335	335
1984	—	331	331
Totals	1,533	1,645	3,176

*Certification by review was available only during the initial six months of the CPP program, and only to those meeting the specified additional qualifying requirements.

As of July 31, 1985, the current number of CPPs is 2,719. (This number is lower than the above total designated because CPPs on "hold" are not included. CPPs on "hold" include individuals who are deceased, have retired, or have changed fields, and delinquent CPPs who have not met recertification requirements.)

education has a bright future. Not only are security manager's with degrees becoming more prevalent, but line security personnel with at least associate degrees appears to be on the increase. The great "wash out" of security programs mentioned by the ASET group, while of significant number to warrant investigation, is probably a natural evolution. Security education is here to stay whether housed in criminal justice programs, colleges of business, or as independent programs. The Hallcrest group recommends that before security education can achieve significant growth a Security Institute needs to be established to investigate and support investigative research on security problems. While no one can argue that such an institute is needed, it is debatable as to whether it is essential to the growth of security as an academic discipline. Much research on various security topics is currently being produced at colleges and universities. However, much of this research is academic in orientation and perhaps of little value to practitioners. In this respect an institute which would support practical research is certainly desirable

While the status of education in security is good news, the same cannot be said for training. It is truly unfortunate that the federal government has not taken an active part in establishing minimum requirements for security personnel who often perform the same duties as police officers. It appears obvious that the statement by the Hallcrest authors that the marketplace will control private security is a "pipe dream". Even the states which now regulate the security industry in

reality pay little attention to it. Considering the facts that the private police outnumber the public sector by over a two to one margin and the field is growing at a rate of approximately twelve percent each year, it is time for the federal government to take an active role in requiring states to develop adequate legislation for security training. Let's take a lesson from the issue of police training. It was not until LEAA and federal legislation that the states began to require adequate training for police officers. Today police officers receive an average of 320 hours of basic training. In addition, most states also have an ongoing training program once the basic course has been completed. Given the improved quality of police education and training since federal involvement, it is likely that similar results would occur in the private sector should the federal government decide to become involved in the regulations of training and education!

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July 6, 1993 9:47

Matthew G. Martinez, Chairman
Subcommittee on Human Resources
Committee on Education and Labor
U. S. House of Representatives
B-346-C Rayburn House Office Building
Washington, DC 20515-6106

July 6, 1993

Dear Chairman Martinez:

As a follow-up to Bob Fischer's letter of June 13 and John Chuvala's testimony before a hearing of the House Education and Labor Subcommittee on Human Resources, on H.R. 1534, the Security Officers Quality Assurance Act of 1993, we would like to reiterate a few points.

The first study on private security was conducted by the Rand Corporation in 1968. The study noted the failings in security training and the poor quality of personnel hired for security guard operations. The study was the first to note the disparity in training standards between contract and proprietary guards. In 1976 the federal Task Force on Private Security conducted another thorough investigation of the occupation. The Task Force was based at Western Illinois University and reported that little had changed since the 1968 study. The report recommended a minimum of 40 hours of training for all security personnel, but also noted that many proprietary firms already provided this level of training. In 1985 the federal government again sponsored research with a grant to the Hallcrest Corporation resulting in the Hallcrest Report. The Hallcrest study was updated in 1992 under another federal grant which resulted in the publication of Hallcrest II, *Private Security Trends: 1970 -2000*. It is no surprise that while some progress was noted in each of these reports the need for some type of minimum standards was again reiterated. It would behoove anyone who is studying this topic to be thoroughly familiar with these reports.

With the growing trend toward litigation for negligent security services the issue of training cannot be ignored. While the rules in many states appear to be adequate the actual process is flawed. There are many stories of security officers who are hired prior to completion of backgrounding. *Time* magazine ran an excellent article on negligent hiring approximately 2 years ago. In April 1990, John Chuvala, Julie Gilmore and I published an article on contract security firms in *Security Management*. *Security Management* later published an entire monograph on liability issues in security. John Chuvala and Julie Gilmore also published an article on negligent hiring, training, supervision and retention of employees in private security in a 1992 issue of *Security Journal*. In March 1993, John Chuvala and I published an article in *Security Management* on security regulation noting comparisons with New Zealand, Australia, Canada and Great Britain. These countries while not far ahead of us have at least moved in the direction of establishing minimal standards for security personnel.

It is interesting that we regulate the levels of police training, but fail to consider their counterparts in the private sector, especially when the private sector outnumbers the public by over 2 to 1.

H.R. 1534 is a good start for regulation. We realize that due to opposition to regulation, standards need to begin at a reasonable level. However, additional hours beyond your suggested 8 hours of training need to be mandated. While H.R. 1534 proves to be a good starting point,



keep in mind that the 1976 Task Force report recommended a minimum of 40 hours of pre-job and on-the-job training. As an analogy, the minimum hours recommended by the federal legislation for police training were reasonable and have been exceeded by most states since the legislative enactment in 1968.

Since Bob Fischer works closely with the Illinois Police Training Board, we believe if Illinois places the responsibility for H.R. 1534 with the Training Board, the basic operation for control, education and certification will already be in place. The biggest obstacle will be determining who will provide the training. The same might be said of other states. However, if the states decide to create an entirely new bureaucracy to oversee the operation, then the time envelop will increase tremendously. The observation by Dr. Robert Kneip, Senior Vice President of The Wackenhut Corporation regarding Illinois security regulation is misleading. Illinois has been a leader in both police and security regulation. The private sector has been regulated for over two decades and changes made within the past 10 years while creating additional requirements for some types of security operations has been generally successful. Bob Fischer would be glad to provide additional information regarding the Illinois Detective Act and other pertinent legislation.

There is no doubt in our minds that the legislation is needed and can be implemented much like the legislation of the late 60s which mandated police training. As security educators who have been involved in the security profession as security managers, trainers and consultants for a combined total of over 40 years, we feel it is imperative that this legislation regulating the security field be enacted. Contrary to the opinions of some that only select security practitioners should be involved in the process of determining what is best for the industry, we believe that input needs to be acquired from various sources including the contract firms, proprietary security personnel, academics, security consultants and trainers. Letting only one element provide the major input is like "letting the fox guard the henhouse." H.R. 1534 could be the basis for landmark legislation, much like the Omnibus Crime Control Act, if the mandates for minimum training are increased to meet those suggested by the Task Force on Private Security.

We are also in support of the statements made by Mr. Ira Lipman, President of Guardsmark during his presentation to the Committee. Mr. Lipman's comments are right on target. His observations regarding training parallel our own, as do his opinions on backgrounding and drug testing. The industry, contrary to some testimony and opinions, has done little to develop meaningful self-regulation. If all that can be said is that some states now require a four hour curriculum, we have indeed accomplished little since 1960. We are also in concurrence with his views on the restrictive covenant issue. However, we would like to go further with the idea that unarmed security employees should be able to begin work while the background is being completed. This is ludicrous! The potential for a sex offender to commit an offense while being backgrounded is always a real threat. NO one should be put into a position of trust as a security officer until a background has been completed.

It is important to note that unlike others who have an interest in this bill neither one of us has any vested interest in the trade. We are simply interested in seeing what is best for the industry come to pass.

Respectfully,

Robert James Fischer, Ph.D.
Director Research and Training Division

John Chuvala III, CPP
Associate Professor, Security

cc: V.P. Gore; Illinois Senators and Representatives; I. Lipman; I. Somerson; R. Shellow; R Key



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